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SOUTH AND EAST ASIA REPORT

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OIL EXPLORATION DECLINING IN ASEAN REGION

Kuala Lumpur BUSINESS TIMES in English 27 Jul 82 pp 1, 22

[Text]

OIL or gas was found in over a third of the exploratory wells put down in the Asean region, and in the Asia and Pacific area as a whole. Despite this high success ratio, exploration activity is on the decline — chiefly because of the sluggish trend in oil consumption in the major markets.

Quoting the consultancy firm Gaffney, Cline and Associates, the London-based *Petroleum Economist* says the high success ratio was attributable to the finds made off the shores of Indonesia and Thailand and in Australia's Bonaparte Gulf and Gippsland Basin.

Gaffney, Cline believes that the success ratio confirms the Asia-Pacific, including the Asean region, as a promising area for exploration.

In a paper presented to the Offshore South-East Asia 1982 Conference held in Singapore recently, the firm points out that large exploration areas have many advantages and offer a variety of prospects.

Typical block sizes of several million hectares contrast with blocks of 20,000-25,000 hectares in

the North Sea and as little as 1,000 hectares in the Gulf of Mexico.

Typical signature bonuses and work commitments, per acre, are US\$3 in onshore areas of Thailand, US\$4 in Australia's blocks, going up to US\$16 in Malaysia's offshore areas.

Gaffney, Cline maintains that oil exploration in 17 countries of the Asia-Pacific region is expected to reach an all-time high during the 1982-83 period.

A further two to three billion barrels of oil could

be discovered in 1982 alone. Historical data suggests that oil production in the middle to late 1980s could increase by 500,000-750,000 barrels per day taking the total to 5.4-5.6 million barrels a day.

For Indonesia, Malaysia and the Philippines which produced 37 per cent of the current total, the outlook for the first half of this decade looks bright.

This is because there are excellent geological prospects and governments offer incentives to both small and large companies — as in the case of production-sharing contracts of Indonesia and the Philippines.

The total Asean expenditure, concentrated on transport, drilling and development, is expected to be about US\$7.5 billion this year for four countries (excluding Singapore).

Gaffney, Cline forecasts that US\$2.5 billion, or about a third of the total, would be spent on exploration.

It also believes that exploration costs, though increasing, have not risen as quickly as in other parts of the world.

It says low entry cost — meaning the initial payments to governments — is one of the reasons why the region continues to attract significant exploration.

Last year marked a turning point. The peak of 158 wells reached in 1974 was almost equalled in 1981, when 157 wells were put down.

This was two-and-a-half times what was drilled during the lows of 1976 and 1977 when only 59 and 69 wells respectively were drilled.

Basing on the plans of oil companies, Gaffney, Cline expects the 1974 and 1981 highs to be surpassed this year.

It says with some 80 mobile rigs in the region

(one eighth of the total worldwide), it is reasonable to assume significant additional activity in 1982-83.

It agrees that a softening in the price of oil will not seriously affect the long term exploration plans of the companies concerned.

This is because the nature of production-sharing contracts insulates the companies from the full impact of a drop in price to a certain extent.

However, this optimistic forecast has had to be qualified because the fall in consumption, due to the recession, has begun to constrain the pace of exploration drilling.

While Australian exploration drilling in the first quarter was already 60 per cent of the total during 1981, this was more than offset by a decline in Indonesia.

The decline of nearly 18 per cent in the exploration index (1974 = 100) for the Asia-Pacific area from 204 in the last quarter of 1981 to 168 in the first quarter of this year has to be viewed in the light of increased development drilling, following the success achieved last year in pinpointing deposits.

REGIONAL MECHANISM FOR SHARING AGRICULTURAL INFORMATION

Kuala Lumpur BUSINESS TIMES in English 28 Jul 82 p 19

[Article by Rodolfo Fernandez in Los Banos]

[Excerpts]

A NEW agricultural information order has taken shape in Asia.

It was born out of the realisation of countries in the region that for research results to be fully utilised in concerted food production campaigns, a viable documentation and information system supportive of such thrust should be devised.

In times past, Asian nations were concerned mainly in developing their own agricultural information systems. But the past few decades saw Asian countries setting up information-sharing mechanisms to backstop their agricultural and rural development programmes.

In 1969, for instance, the Philippine-based South-East Asian Regional Centre for Graduate Study and Research in Agriculture (Searca) proposed the establishment of a regional documentation centre on the campus of the University of the Philippines at Los Banos (UPLB), Searca's host institution, about 50 kilometres (31 miles) south of Manila.

Searca eventually set up the Agricultural Information Bank for Asia (AIBA) with a financial grant from Canada's International Development Research Centre.

At about the same time that AIBA was being launched, the United Na-

tions Food and Agriculture Organisation (FAO) was developing its International Information System for the Agricultural Sciences and Technology (Agris) project. AIBA was later designated as the Agris regional input centre for South-East Asia.

Phase I or the development period of AIBA started in October 1974 and ended in August 1975. Phase II covered the period from September 1975 to September 1978. Phase III, which has been programmed for three years, began in September 1979.

The AIBA network had nine country participants during Phase II. It was subsequently reduced to eight countries, five of which are members of the South-East Asian Ministers of Education Organisation (Seameo). Searca's mother organisation.

The national centres (NCs) in SEAMEO countries are the libraries of the UPLB, Kasetsart University in Thailand, National University of Singapore, Universiti Pertanian Malaysia and Indonesia's National Library for the Agricultural Sciences. Those in non-Seameo states are the Korean Scientific and Technological Information Centre with assistance from the Korean Office of Rural Development, Hong Kong Ministry of Agriculture and Fisheries, Bangladesh

National Scientific and Technological Documentation and Bangladesh Agricultural Research Council.

Automated

How does the AIBA network operate?

In each of the member countries, an Agris input centre is designated by the government. A national network of agricultural institutions which acts as sub-centres is also organised. These sub-centres regularly send to the NCs copies of all relevant documents.

The NC enters the bibliographic records of these documents and submits these worksheets to AIBA every month. AIBA edits these worksheets and transfers them in machine-readable form. Inputs which are relevant to Agris are sent to Vienna, Austria, for processing.

Agris merges and sorts the AIBA input together with the world input and generates the Agris monthly data base called Agrindex.

Meanwhile, at AIBA, the input of each NC and inputs of countries from other parts of the world relevant to Asia are merged and sorted. The output is the AIBA data base called Agriasia.

AIBA's bibliographic operations have been computerised since 1977. Three sub-systems were developed, namely: input, bibliographic production and information retrieval.

At present, most of the bibliographic projects are fully automated. Such projects are Agriasia, National Bibliographies, Selective Dissemination of Information (SDI), Inquiry-Answering Service, Winged Bean Information Service, and Current Agricultural Research Information System (Caris).

Summing up, the accomplishments thus far achieved by AIBA have been encouraging.

Principally, it has successfully introduced and made operational the concept of an agricultural information network for the Asian region. In the process, it has gained the cooperation of a good number of countries.

At present, the information networks of several of the AIBA participating countries are ready to expand. With assistance from AIBA and more time and support to get over their own developmental difficulties, they could very well become stable and self-sustaining.

With this strategy, Searca envisions that in three years, the individual national systems shall have attained a strong capability, established more workable relationships and fashioned firmer linkages to blossom into a dynamic Asian Agricultural Scientific Information Network that once was considered a mere dream. — Depthnews Asia

MILITARY PERSONNEL WORKING IN FIELDS

Kuala Lumpur BUSINESS TIMES in English 28 Jul 82 p 20

[Article by Min Thu in Rangoon]

[Text]

THE Burmese armed forces have codenamed the operation *Mya Seinn Yaung* or "Green Emerald." Unlike their other operations, however, there is nothing military in the strict sense of the word of "Green Emerald."

For the past four years, soldiers in the Rangoon command have been helping farmers raise agricultural production. This year, the target is a 5.2 per cent increase in agricultural output.

The operation started July 4 which marked the start of the cultivation season in Burma. A total of 1,324 enlisted men from the army, navy and air force will work in the fields for two weeks in five selected townships in the Rangoon division.

They will plough the land, repair irrigation canals, dredge the drains, raise plant nurseries and transplant seedlings. After two weeks of farm labour, the 1,324 soldiers will be replaced by an equal number of their colleagues for the same work.

The scene in Rangoon is repeated elsewhere in other rice-producing areas of the country. And officials take pains to emphasise that the soldier-farmers have been a boon particularly in regions where farm labour is scarce during the planting season.

The Burma Socialist Programme Party first started the project in 1979, citing the need for voluntary mass labour from all sectors for increased agricultural production. The armed forces, which has been regarded as the hard core segment of the party, has been implementing the

project since then.

The operation usually ends Sept. 3 when the fields are harvested.

Project

This year's "Operation Green Emerald" came at a time when the country is set to launch an industrial crops development project. The project covers sugarcane cultivation and development, jute improvement technology, cotton seed development and quality control and farm machinery and equipment operation.

The project is being launched in cooperation with two United Nations agencies UN Development Programme (UNDP) and UN Food and Agriculture Organisation (FAO). Under the agreement, UNDP will contribute US\$1.8 million and Burma, US\$1.6 million in counterpart funds; project duration is three years.

Burma's aim is to increase sugar, jute and cotton output which, according to official reports to the last budget session of the unicameral People's Congress, fell short of the planned targets.

For the first year, the Government plans to plant cotton on 612,000 acres. Last year, total cotton acreage was 583,000 while production reached 107,000 long tons.

However, the biggest increase in acreage will come from jute, also known as the "golden fibre." Burma is encouraging farmers to grow jute as a second crop because of improved prices in the world market. — Depthnews Asia

CSO: 4220/652

DALAI LAMA LEAVES ON OVERSEAS TOUR

Kuala Lumpur BUSINESS TIMES in English 27 Jul 82 p 19

[Article by Najmul Hasan in New Delhi]

[Text]

THE Dalai Lama, Tibet's former god-king, leaves self-exile in northern India this week on a tour of Malaysia, Singapore, Indonesia and Australia.

An official at the Tibetan Buddhist spiritual leader's office here said the Dalai Lama would exchange views with Buddhist and other religious leaders but no meetings with government leaders were planned.

The tour was described as private and non-political.

Despite the start of a complex political dialogue between China and Tibetan exiles, the return home of the Dalai Lama, who has lived in Dharamasala, northern India, for 23 years, is still a long time away, his officials say.

He fled Tibet with some 100,000 followers after an abortive rebellion against Chinese rule in 1959. Two delegations have toured Tibet on exploratory missions since September 1979, and a third returned to New Delhi last June from Peking.

He said in a recent magazine interview that unlike previous delegations, the visit by the latest team was not to obtain facts, "but to tackle the real business."

"The delegation, however, did not enter into substantive nego-

tiations," he told the Hong Kong-based *Far Eastern Economic Review*.

Ruling out an immediate settlement in view of the prolonged hostility between the two sides, the Dalai Lama said, however, "I can say that my optimism is still there."

Central to the conflict is his demand for independence for Tibetans and his own future position if he returns home.

China has ruled out any compromises over its control of what it calls the Chinese Autonomous Region of Tibet, but has set no conditions for the Dalai Lama's return. Eager to win his approval, the Chinese authorities have said the Dalai Lama was welcome back either for a visit or to settle down permanently.

"His holiness is a symbol of the Tibetan nation and China wants his support," Lobsang Wangchuk, an exiled Tibetan, said.

The Dalai Lama has often said his future as a religious and political leader was not the real issue. "I am not struggling for the Dalai Lama. I am struggling for my six million people," he has said. China disputes this figure, saying an official count has shown there are 1.8 million Tibetans in Tibet.

The Dalai Lama has also said he would not return home unless he was sure the Tibetans were happy under Chinese rule.

"We have no political ideology and we are not against any political ideology, including Marxism. We are not against the Chinese race," he said.

Yet, in his recent interview, the Dalai Lama said: "Irrespective of their (Chinese) claims, there is suffering in Tibet. Now they admit their past failures and mistakes..."

Two years ago Peking introduced liberal, pro-Tibetan reforms in the vast Himalayan region in an attempt to heal the deep rift between Tibetans and their Chinese rulers.

Last March, on the 23rd anniversary of the Tibetan uprising, the Dalai Lama said the issue of Tibet would "inevitably undergo a proper, satisfactory and decisive change since the present situation will never remain as it is."

A significant development as China's decision to allow the Panchen Lama, Tibet's second highest-ranking spiritual leader, to return home this month for the first time in 18 years.

The Panchen Lama, who lives in Peking, has not been allowed to visit

Tibet since he criticised unpopular communist policies there in the mid-1960s.

His return, ostensibly on a two-month inspection tour, shows official confidence in Peking that the reforms have begun to heal the rift, and the Dalai Lama commented favourably, saying: "After all, harmony and unity do not come about by mere words but through better understanding of the reality."

The Dalai Lama, who is a guest of India, has his base in the Himalayan resort of Dharamasala where he also has a government-in-exile. He lives in a modern bungalow beneath the 4,576-metre (15,000-foot) Dhaulagiri peak.

The expenses of the administration are met through contributions from some 80,000 refugees scattered all over India.

The Indian government helps in the rehabilitation of the refugees and bears the cost of schools run by the Council for Tibetan Education.

The Dalai Lama has established some 150 monasteries in India, Nepal, Bhutan, the United States, Britain and Switzerland, served by more than 6,000 exiled monks and nuns.

He will return to India from his overseas tour on Aug. 21. — Reuter

NORODOM SIHANOUK SEEKS FURTHER SUPPORT

Suharto Receives Sihanouk

Jakarta HARIAN UMUM AB in Indonesian 1 Jul 82 pp 1, 7

[Excerpts] The Indonesian Government absolutely will not provide any military aid to the coalition government of Cambodia although the door is not closed to a possible offer of technical aid for the development sector should Cambodia request it.

Minister of State and State Secretary Sudharmono clarified this point in response to a question from a newsman concerning the results of President Suharto's discussion with President Norodom Sihanouk at the Merdeka Palace on Wednesday [30 June].

Sudharmono said if Cambodia requires aid within the context of rehabilitation and regional development, Indonesia, of course, will provide such aid within the limits of its capabilities.

President Norodom Sihanouk's unofficial visit to Indonesia was also made to express his gratitude to ASEAN [Association of Southeast Asian Nations] and to Indonesia in particular for political support it extended for the formation of the Cambodian coalition government.

In talks between the two national leaders, Sudharmono said, the Indonesian side expressed its further political support and hoped the Cambodian coalition government would reap the utmost benefits from that support so that the maximum results could be achieved in the interests of that nation and its people.

Responding to another question, Sudharmono stated that the Indonesian Government in earlier years continued to recognize the former Cambodian Government which has now formed the coalition government.

In the discussions between the two chiefs of state, President Sihanouk also stated his desire to have a "base" in Cambodia located, of course, in a most secure area.

Meanwhile Foreign Minister ad interim M. Panggabean yesterday afternoon [30 June] met with President Sihanouk at the Borobudur Hotel. The meeting lasted about half an hour.

The foreign minister ad interim told reporters that Indonesia and the Cambodian coalition government agreed that settlement of the Cambodian question was not only in the Cambodian and ASEAN interests but also in the interest of Vietnam.

Both leaders stressed security and regional stability in their discussions because without these development may be impossible. Quoting Sihanouk, Panggabean said that for a long time it had been thought the Cambodian question could only be settled by force as Khieu Samphan and Pol Pot had stated.

So as a first step the coalition government is using a number of means to get Vietnam to agree to a political solution to the Cambodian question. The use of armed force is an alternative solution if the peaceful route is unsuccessful.

"A country like Cambodia simply cannot lose its identity through the use of armed force by an occupation army. I saw this and Sihanouk is convinced of this. Toward this end the Cambodian people are prepared to forget everything that happened in the past, even Pol Pot's conduct which demanded many sacrifices," Panggabean said.

The foreign minister ad interim admitted to newsmen that his discussion with Sihanouk did not touch on aid for the anti-Vietnam coalition government.

Seat in Nonaligned Conference

Jakarta HARIAN UMUM AB in Indonesian 2 Jul 82 pp 1, 2

[Excerpts] Indonesia will try its utmost to have the Cambodian Democratic Coalition Government regain the Cambodian seat vacancy since the Sixth Non-bloc Summit Conference held in Havana, Cuba.

President Norodom Sihanouk made this statement yesterday [1 July] at the Halim Perdanakusuma Airport prior to his departure from Jakarta en route Manila. During his conversation with President Suharto and Vice President Adam Malik on Tuesday [29 June], Sihanouk gained the impression that Indonesia would like the coalition government to regain the vacant Cambodian seat.

Norodom Sihanouk would very much like to attend the non-bloc summit conference to be held in Baghdad, Iraq. In Penang, Malaysia, 4 days ago he placed great hope in ASEAN's support for the coalition government, which he heads, to regain the Cambodian seat in the non-bloc conference.

In his talks with President Suharto and Vice President Malik, Sihanouk gained the impression that Indonesia will always assist the Cambodian people in the process of restoring Cambodia to a free and peaceful nation.

After having spent 3 days in Jakarta, Sihanouk, his daughter Monique, and party will spend several days in Manila and Bangkok and will then reside in Cambodia to lead the resistance against the Vietnamese occupation army.

Sihanouk did not want to tell reporters where his coalition government headquarters is located. Not that he fears letting his opponents know where it is, but, "The main problem we face is security because it is most important that we stay alive until our country's independence has been achieved. For that end our headquarters location must be kept secret."

However, Sihanouk promised he would invite some ASEAN reporters to witness that the democratic coalition government and its three leaders are on Cambodian soil and not in exile.

"You know we have formed a government and all of its leaders including me are in Cambodia. We also have reporters, photographers, and TV crews. Through our work we want the outside world to know of and witness the existence of our government," Sihanouk remarked spiritedly and added that funding plays an important role in the coalition government.

Commenting on the planned withdrawal of a portion of the Vietnamese army from Cambodia, Sihanouk said not enough troops were to be withdrawn. If the Vietnamese really wanted to withdraw their troops, the Hanoi Government had to withdraw all of them.

Indonesia and Cambodia fully agreed on the Cambodian people's right to determine their own future. "We also agreed that countries in Southeast Asia should not interfere in the domestic affairs of other Southeast Asian countries, moreover they should work together."

The departure of Sihanouk, his daughter, and party yesterday was attended by Foreign Minister ad interim and Mrs Panggabean, Secretary General of the Foreign Affairs Department and Mrs Sudharmono, and the Korean and Malaysian ambassadors to Indonesia.

Departing at 10:10 West Indonesian time aboard the F-28 aircraft, Pangkalan Brandan, owned by Pelita Air Service, the guests from Cambodia en route Manila were seen off by Achmad Djumiril, director general for protocol and consular affairs of the Department of Foreign Affairs, and his wife.

Sihanouk said he would spend several days in Cambodia after circling through the five ASEAN countries and would then go to Pyongyang, Beijing, West Germany, Britain, New York, Washington, and the United Nations.

"Our struggle is not only a domestic one but we must also install our diplomats overseas," Sihanouk said.

Cooperation with Khmer Rouge

Jakarta KOMPAS in Indonesian 2 Jul 82 pp 1, 9

[Excerpts] The recently formed Cambodian coalition government is not a fugitive government because it is located in Cambodia. Nevertheless, for security reasons, the location of the government center cannot be divulged. "When I travel to ASEAN countries, I do not ask them to recognize the Cambodian Democratic Republic Coalition Government because that recognition is there and these countries receive me," President Norodom Sihanouk told reporters at the Halim Perdanakusuma Airport as he was leaving Indonesia on Thursday [1 July].

On Wednesday evening Pung Peng Cheng, political advisor to President Sihanouk, told KOMPAS that Sihanouk had negotiated with Son Sann, requesting that the Molinaka and nationalist resistance groups merge into a larger nationalist group, the strength of which was not meant to counterbalance that of the Khieu Samphan Khmer Rouge force. "We even believe that we can continue to govern together with the communist Khmer Rouge in the future government," Peng Cheng said.

However he regarded the possibility of the Kampuchea Democratic Republic coalition cooperating with the present Heng Samrin Government as "another matter."

Meanwhile, after seeing Sihanouk off at Halim Perdanakusuma Airport, M. Panggabean told KOMPAS that Indonesia's support of the coalition should be viewed within an ASEAN context. "ASEAN supports this coalition so we cannot alter the decision. It is like a parliamentary decision. What is decided there, of course, must be fully implemented. It cannot be changed at will," Panggabean replied to a question as to whether Indonesia "fully supported" or merely "welcomed" the formation of this anti-Vietnam coalition.

6804

CSO: 4213/68

STRAIN IN TIES BETWEEN JAKARTA, WASHINGTON

Kuala Lumpur BUSINESS TIMES in English 2 Aug 82 p 19

[Article by Colin Campbell in Bandung]

[Text]

A MODEST protest recently at the US Embassy in Jakarta by a group of Muslim youths protesting American support for Israel was just one example of the tensions between Indonesia and the United States.

Disagreements on China and the world economy are also straining a relationship that has remained friendly since President Suharto came to power in the mid-1960s.

Indonesians believe the tensions are the fault of the United States. Although relations have grown closer in recent years, it is the complaints of the Indonesian government that are being voiced most clearly.

Diplomatically, relations have improved in one respect since last spring, when Mr Morton Abramowitz was rejected by Indonesia as the US ambassador.

Having taken the extraordinary step of rejecting Mr Abramowitz — and been accused of doing so because he is Jewish and outspoken as well — the Indonesian government is now said to be prepared to take anyone offered.

President Suharto is expected to be warmly received when he visits Washington in October, his first such trip since 1978. Moreover, a recent visit to Washington by the Indonesian Minister of Research and Technology, Bachruddin Jusuf Habibie, who had been seeking advanced American weapons, reportedly went well.

While Jakarta has been seeking more weapons and while it believes the United States is right to want to match the Soviet navy's build-up in the Pacific, some Indonesians are worried about the focus on military matters.

Economic help

The Reagan administration is so military, said Mr Jusuf Wanandi, director of Jakarta's Centre for Strategic and International Studies. Mr Wanandi, who is highly regarded

by diplomats for his knowledge of government and military thinking, said the American military focus was out of step with Indonesia's top priority, the economy.

The countries around here think of their main threat as being domestic, he said.

He said Indonesia needed economic help more than ever because world prices for its oil, tin, rubber and other exports have been so depressed that the country's reserves and development plans are swiftly being cut back.

Yet the United States, he said, had withdrawn support for international commodity agreements that might have kept prices higher, has lost interest in aiding international lending institutions and has declined to sign the Law of the Sea Treaty.

It is boggling our mind, Mr Wanandi said. "Economic help is more important for our stability than a few more tanks."

Reflecting Indonesian ambivalence about the rearming of Japan, which occupied Indonesia in World War II, Mr Wanandi asked where it might end if the United States kept urging Japan to bear more of a military burden in Asia.

"What really, do you want the Japanese to do?" he asked. "If they really decide to arm, if they set their minds to it, if they can work out some consensus in the next five years, they could become a nuclear power. They can do anything they want, you know."

American policy toward China causes further grumbling, an attitude that in the military's case goes back to 1963, when Peking was accused of encouraging the Indonesian Communist Party, which was powerful at the time, to stage a coup. The party was later liquidated.

Foreign Minister Mochtar Kusumaatmadja said in a recent interview: "I wish that the United States more actively supported our position, especially on the Cambodian question, rather than the Chinese position."

He was alluding to China's emphasis on opposing the Vietnamese militarily and making their occupation of Cambodia as expensive as possible.

Though a member of the Asean, an anti-communist grouping, Indonesia favours economic aid for Vietnam and feels its fear of China is well founded.

On June 10, Deputy Secretary of State Walter J. Stoessel Jr. told the Senate Foreign Relations Committee that "US relations with China are seen by our Asian friends as a positive influence on the future direction of China's foreign policy and a stimulus to regional cooperation."

When asked about that testimony, Mr Wanandi, said, "One of the confusing things is what your China policy is?"

Indonesia, which broke diplomatic relations with China in 1967, but has revived trade relations since then, has its own problems with its China policy.

In an interview with *Newweek* last month, the Foreign Minister said China was the most dangerous influence in South-East Asia. Recently, Minister of Information Lt. Gen. Ali Murtopo said in a seminar that the greatest threat, in South-East Asia was the Soviet Union.

The Foreign Minister later explained that perhaps he had been thinking of the past, and his colleague of the future. NYT

INCIDENT ON INDONESIAN-PAPUA NUGINI BORDER REPORTED

Jakarta KOMPAS in Indonesian 26 Jun 82 p 3

[Text] The Department of Foreign Affairs and Trade of Papua Nugini (PNG) is scrutinizing the Indonesian government's denial to a PNG allegation claiming that a border violation had occurred when an Indonesian army unit intruded to look for hostages kidnapped by members of "Free Papua Organization" (OPM) in October 1981.

It is said that the text of the Indonesian government denial, which was handed over to Wilson S. Ephraim, charge d'affaires ad interim of the PNG Embassy in Jakarta, on 9 June, differed greatly from reports filed by an independent press bureau from Jakarta.

When Indonesia denied the occurrence of border violations on 14, 15 and 21 May, the independent news agency reported that Indonesian inhabitants at Selmus Village had rescued the hostages comprising workers of the logging enterprise PT Hanurata who were under detention by OPM rebels.

The PNG Embassy press release expressed satisfaction over the Indonesian government's desire to upgrade again its bilateral relationship with PNG. It also hoped that the Indonesian government would be prepared to resolve pending border issues and that no more border incidents would take place in the future.

According to the same press release, OPM rebels on 12 and 13 June already freed 18 Indonesians who had been held hostage during a raid on a sawmill at Holtekang near Jayapura last October.

It is said that an Indonesian army unit in the following weeks intensified its search and rescue action in the frontier region. It is believed that almost all of the hostages were detained in Irian Jaya for eight months.

The hostages were handed over to the villages in Irian Jaya and subsequently escorted to a village in PNG where they were held by the local authorities.

The spokesman of the PNG Department of Foreign Affairs and Trade stated that some of the hostages became seriously ill and were promptly flown to Vanimo aboard a small airplane, where they were given medical care in preparation for their return to Jayapura.

According to Indonesian government officials, this sick group formed part of the 57 Indonesians and one Malaysian who were whisked away during the raid at Holtekang.

In a note handed to the PNG Embassy last week, the Indonesian Department of Foreign Affairs stated that all hostages were rescued by the inhabitants of Selmus Village in Irian Jaya.

The spokesman of the PNG Department of Foreign Affairs and Trade deplored the raid on the sawmill. The entire incident could have been averted if Indonesian officials at Jayapura had given the proper authorities in Jakarta their correct judgment concerning the sawmill raid and taken proper steps in line with the spirit of the 1979 Border Agreement by reporting the said incident to the PNG side.

After the raid, the PNG authorities were kept in the dark and their assistance to rescue the hostages was not requested, the spokesman said.

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CSO: 4213/70

FORMATION OF TIN PRODUCERS' ASSOCIATION DISCUSSED

Jakarta KOMPAS in Indonesian 29 Jun 82 pp 1, 9

[Excerpts] President Soeharto has expressed hope that the impending formation of a tin producers' association would serve as a complementary body for a smooth implementation of the Sixth International Tin Agreement (ITA) which will be effective as of 1 July. This was conveyed to the minister of mining and energy, Soebroto, when the latter reported to the President at Bina Graha last Monday concerning his departure for Bangkok to discuss the formation of the said association.

Soebroto said that discussions for the formation of the tin producers' association among Indonesia, Thailand and Malaysia would begin coming Monday. Initially, this organization would be composed of the three members of ASEAN, which would then be offered to other tin producing countries in a meeting to be held in Lagos in October 1982.

Soebroto also reported to President Soeharto about the reaching of unanimity by 18 countries to validate the Sixth International Tin Agreement.

Answering reporters' questions, the minister confirmed that the unanimity was reached only after Indonesia, Malaysia and Thailand had separately but simultaneously issued a statement saying that they would form a tin producers' association. "Malaysia would join the Sixth International Tin Agreement only if Indonesia and Thailand agree to forming a tin producers' association," Soebroto said.

Soebroto added that for the time being the U.S. is not taken into consideration, because the said country has decided against joining the Sixth ITA. "Ever since the formation of ITA 25 years ago, the U.S. was out of it for 20 years, and she did not take part until the Fifth ITA," Soebroto explained.

KOMPAS has learned from another source that tin producing countries, particularly ASEAN members, have been inclined to set up an organization among themselves, because the provisions of the Sixth ITA are generally viewed as being not so advantageous to the tin producers. The Sixth ITA represented a compromise between tin producer and consumer countries, with the consumers getting the upper hand.

This is why hawkish tin-producing countries like Bolivia will not join the Sixth ITA yet. This country holds the same view as Malaysia concerning the formation of an organization to safeguard the interests of tin-producing countries. And Malaysia, now doubtful about the capability of the Sixth ITA to defend the tin producers' interests, has announced that she would take part in this international agreement only if other tin-producing ASEAN members, namely, Indonesia and Thailand, announce their support for the setting up of a tin producers' association.

Indonesia maintains her own views. She holds that the projected tin producers' association represents the optimum unanimity reached by ASEAN's tin-producing countries for the operativeness of the Sixth ITA as of 1 July. This association is not meant to be a vehicle to increase tin price at will. "Indonesia is more inclined to form an organization which will run parallel with the Sixth ITA," he said.

Indonesia has for a long time suggested the formation of the Sixth ITA, because this agreement is regarded as an exemplary international form of cooperation between producer and consumer concerning commodity agreements. Yet, the source disagrees to the idea that Indonesia's participation in the tin producers' association in Bangkok is strictly a political move, and not an economic one. "We want to try to form an association which will make the agreement operative, otherwise we will get out," he added.

In his clarification in Jakarta, Minister of Mining and Energy Soebroto divulged that this planned association will serve as a vehicle for tin producers to discuss the utilization of tin industry and to exchange views and information as well as experiences. In particular, this association will become an assembly to discuss various interests not covered by the Sixth ITA. Nevertheless, it is not to be likened to the South East Asia Tin Research And Development (SEATRAD) established in Ipoh, Malaysia.

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CSO: 4213/70

DECLINING DEMAND AFFECTS TEXTILE INDUSTRY

Kuala Lumpur BUSINESS TIMES in English 3 Aug 82 p 19

[Article by Warief Djajanto in Jakarta]

[Text]

INDONESIA'S textile industry is reeling under the impact of the continuing slump in demand both in the domestic and international markets.

The problem has been compounded by the high cost of raw materials that go into the manufacture of textiles. Although Indonesia is a net exporter of textiles, it depends on imports for its raw material requirements.

In 1980, the textile industry was saddled with a surplus of 270 million metres, or 14 per cent of total production, with a market value of US\$350 million. However, textile exports that year fetched US\$150 million, the highest turnover registered by the country's textile industry ever.

This figure represented an eight-fold increase in export earnings from textiles over that of 1975. Total textile production in 1980 was 1.3 billion metres, up by eight per cent over the previous year's total.

Programme

But because of the slack in the market demand, quota restrictions and protectionist policies of Western outlets, a big portion of the 1980 textile production found its ways into warehouses, thereby

tying up huge amounts of investments.

Indonesian textile manufacturers said that reverses in the international market could have been blunted if domestic demand was not erratic and also on the slump. But as they lamented during a conference, domestic demand had also hit rock-bottom.

A market survey showed that consumers were spending their extra income more on other products like household appliances, and less on textiles.

"The reality today is that the growth in market absorption of textile is lagging behind the industry's productive capacity, although textile prices have remained pretty much stable for some years now," an industrialist said.

Another big problem that the industry has yet to surmount is quality. "Our products still have a long way to go before we can successfully compete with foreign-made textiles, quality-wise," a garments industry official said.

That may be putting it a bit mildly. Hong Kong, South Korea and other countries are showing the way in the textile market, and quality is a principal ingredient of their successful marketing cam-

paign.

Indonesian textile manufacturers admit that they need "a lot of homework" on the qualitative aspects of their products if the industry is to compete successfully with other countries.

To lessen its dependence on imported raw materials, Indonesia has launched a programme for self-sufficiency in raw materials and semi-processed goods to support the production of finished products.

At present, domestic production of cotton is not only inadequate; locally-produced cotton is not suitable for industrial manufacture. In 1980, Indonesia imported 117,000 tons of cotton, mainly from Egypt and the US. Domestic production that year was only 25,000 tons.

Moreover, Indonesia is also totally dependent on foreign suppliers for its synthetic fibre requirements. But remedies may be on the way. The government plans to clear 30,000 hectares of land for cotton estates.

The Department of Industry also plans to construct a plant featuring the most advanced technology in pulp and rayon production.

Already on the drawing boards is a programme for massive production of certain kinds of pipe trees which produce pulp that has similar characteristics with cotton. The project, expected to start this year, would have an annual production capacity of 35,000 tons.

Another plant on the drawing boards is an aromatics production centre scheduled to be constructed next year in Plaju, south Sumatra. When completed, the project would help ease Indonesia's dependence on polyester, nylon and other imported fibres.

Problems notwithstanding, Indonesia's textile manufacturers are confident in the industry's future. "The development of the industry has eclipsed national targets. This has brought about totally unexpected problems, ranging from marketing to raw material supply. But we are coming to grips with these problems the best way we can," a textile industrialist said.

He said the industry was still in its infant stage "but we have shown resiliency in dealing with our problems, and we expect to survive." — Depthnews Asia

CREDIT FOR POOR FARMERS, FISHERMEN ISSUED

Jakarta KOMPAS in Indonesian 30 Jun 82 pp 1, 9

[Text] A new type of small credit for poor farmers and fishermen will be issued by People's Bank of Indonesia (BRI) soon. This small credit is named "suitable credit for poor peasants," representing an implementation of Project P4K (Nurture for Improving the Earnings of Poor Farmers). It is hoped that such credit will be issued beginning July 1982.

According to BRI, Project P4K falls under the jurisdiction of BPLPP (Office for the Education and Training of Agricultural Information) of the Department of Agriculture. The forthcoming type of credit is meant for poor farmers and fishermen who have ~~not~~ benefited from the existing credit system in Indonesia.

Poor farmers and fishermen who will be entitled to it are those whose individual annual income equals to 320 kgs of rice. Assuming that the price of rice is 200 rupiahs per kg, their income amounts to 64,000 rupiahs, or less than \$100 per person per year.

According to the World Bank, the average per capita income in Indonesia has reached \$520 per year. By comparison, the average income of "little" farmers and fishermen is therefore very low. Consequently, it is essential that they be given aid in the form of special credit.

The maximum amount of this "suitable credit" is 500,000 rupiahs per "group," issued at a 6 percent annual interest for a period of 3 years. It is not given to any individual farmer or fisherman.

The group is called KPK (Group of Small Farmers), comprising a minimum of 8 and a maximum of 16 people. Each group is led by its leader who is chosen by the BPLPP. To apply for credit, each group must plan and submit a joint project.

The joint project may be agricultural or nonagricultural in nature. An agricultural project may involve food plants, vegetables, fishery, cattle breeding, water conservation, while a nonagricultural project may be handicrafts in wood, cloth, clay, metal, rattan, barks, nylon, leaves, etc., or small industries.

Each joint project submitted by a group must include, among others, nature of project, reasons for choosing such a project, plan for its implementation, income and expenses, and calculation for profit. The said project is then submitted to a team of assessors comprising local agricultural service and the branch concerned of the People's Bank of Indonesia (BRI). After checking, all relevant documents are forwarded to the BRI which will issue the required credit promptly.

Unlike other types of credit, this suitable credit for poor farmers and fishermen is "very soft." Apart from the low interest of 6 percent, no collateral is needed. The bank will decide to grant or deny the credit strictly based on the merit of each project and the farmers need not put up any money.

Furthermore, the joint project must be arranged and explained in a simple but clear manner so it can be understood by the little farmers. Although not required, it is hoped that each group of farmers that gets bank credits will join a cooperative existing closeby.

For the first stage, the government plans to issue a fund of 175 million rupiahs to be allotted among 350 groups scattered in six provinces, namely, West Java, Central Java, Yogyakarta, East Java, Bali and West Lesser Sundas. There will be 25 groups in Yogyakarta and Bali, and 75 groups each in the other 4 provinces. Each group will get a credit amounting to 500,000 rupiahs. The second stage will include groups of farmers and fishermen in Jakarta Municipality, East Lesser Sundas, South Sulawesi, South Kalimantan and the Moluccas.

Previously, there existed a small credit for farmers called KCK ("Kredit Candak Kulak") which was handled by Village Unit Cooperatives. Another type was called "mini credit," and it involved amounts between 10,000 and 200,000 rupiahs, while "midi credit" involved amounts between 200,000 and 500,000 rupiahs. Both mini and midi credits were handled by BRI.

However, these types of credit could not be utilized by poor farmers. KCK was too negligible in amount, involving only 15,000 rupiahs, while both mini and midi credits were too "heavy" for them due to stiff conditions required by the bank. That is why the new suitable credit for poor peasants has been set up which can also be used for financing small industrial endeavors.

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CSO: 4213/70

CHANGE OF OIL CONTRACT WITH CALTEX DISCUSSED

Jakarta KOMPAS in Indonesian 1 Jul 82 p 2

[Excerpts] Caltex must put forward new proposals in reply to Indonesian government's suggestions concerning its plan to replace Caltex's work contract with Pertamina by a production sharing contract. The work contract in question has been in operation since 1963, and it must be changed into a production sharing contract beginning November 1983.

"The government has presented its intentions to Caltex. The ball is now on the other side and it is up to Caltex to put forward its counterproposals," replied Pertamina Director General Drs Yudo Sumbono during a work conference with the House Commission VI led by Ir Rachmat Witular at Pertamina's Head Office Monday evening.

Two other companies which are still collaborating with Pertamina through work contracts are Stanvac and Galasiatic & Topco. The proposed new collaboration plan between Pertamina and Caltex through a production sharing contract may serve as an example for the other two companies to change their contracts in due course.

In this connection, Yudo Sumbono said that Stanvac would like to shift into a production sharing contract, too. "But, if it turns out to be unprofitable, Stanvac may quit Indonesia altogether," he added.

According to Yudo, the Indonesian government has informed Caltex that it will not extend the work contract with Pertamina on grounds of obsolescence. Caltex understood and expressed its willingness to shift to production sharing between the two sides. "The ratio in a production sharing contract has developed from 70:30 to the current 85:15. However, which type is to be applied to Caltex without placing the Indonesian government in a disadvantageous position is still under negotiation," said Yudo. He added that even now both Pertamina and Caltex teams are still striving to reach a mutually acceptable agreement.

On the other hand, the government has presented its terms and conditions to the said oil company, including advantageous provisions in the proposed work sharing contract, maximum utilization of domestic components, speedy Indonesianization of Caltex and retainment of its profits during the past few

years for reinvestment in Indonesia. On the other hand, Caltex would like to have conditions which would still enable it to operate in this country at a profit.

A Caltex source said that this company wishes to operate in Indonesia in order to get a reasonable and natural profit. If this principle is acceptable, this company will continue to operate here, of course.

By way of example, he said, Caltex and Pertamina are working together by dint of recent agreements concerning refinery affairs, which indicates a development toward production sharing in new areas. Such joint ventures are in operation in Langsa Block, Singkarak Block and Jambi.

Half of the shares in these joint ventures are held by Pertamina, and the other half by Caltex. All costs are jointly shouldered, after the expenses incurred by Pertamina have been set aside. Fifty percent of the yield are reserved for Pertamina, while the other 50 percent falls under the stipulation of the production sharing contract, in which 85 percent is reserved for the government and the remaining 15 percent for Caltex. In effect, this means that Caltex gets about 7.5 percent only.

The Caltex source said it is possible that all Caltex assets will become a subject for negotiations during the transfer from work contract to production sharing contract. In the case of work contract which is entirely led by the contractor, all kinds of property belong to the said company. And if they are to be offered to a third party, Pertamina shall have the first option. In contrast, Pertamina will assume leadership in a production sharing contract, and all incoming things will automatically become Pertamina's property.

Another source said that if Caltex intends to continue its operations in Indonesia and accepts the 85:15 ratio in the planned production sharing contract, it must be granted new land concessions. During the initial years of production, Indonesia will be on the losing side. The government's share will be small, because all costs must be reimbursed first. Indonesia's revenue will rise after 4 or 5 years of operation when the costs have been refunded. "That is why Pertamina must first give its approval or nonapproval in deciding whether an oil well is commercially profitable or otherwise," he added.

According to the said source, the oil reserves in regions under Caltex operations are already known. This company does not need additional exploitation funds to find the reserves. Therefore, Caltex is more inclined to return the said region to the Indonesian government or to Pertamina in this case. "They do not make any new investment. If a new investment is needed, it should be borne by Indonesia," he said.

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CSO: 4213/70

CONTINUED DECLINE IF NONOIL EXPORTS REPORTED

Jakarta KOMPAS in Indonesian 2 Jul 82 pp 1, 9

[Excerpts] There is still a downward trend of nonoil exports from Indonesia, although the rate is getting slower. This proves that world recession is not yet over and that Indonesia is feeling the pinch of slowdown in nonoil exports.

The Governor of the Bank of Indonesia, Rachmat Saleh, made this remark in a work conference with the House Budget Committee held at the Bank of Indonesia Building Wednesday evening. The meeting was chaired by Drs C. J. Simanjuntak.

"We still do not have a meaningful ascent to restore our performance in nonoil exports," Rachmat Saleh said. According to a Bank of Indonesia report, Indonesia's nonoil exports during the first four months of 1982 (January through April) dropped by 42.41 percent in comparison with the corresponding period in 1981.

Compared with the last four months of 1981 (September through December), the January-April 1982 exports represented a drop of 34.38 percent. In terms of value, the exports in the first four months of 1982 reached \$890 million, whereas the figures for the first four months of 1981 and the last four months of 1981 were \$1,546 million and \$1,357 million, respectively.

Based on these data, the exports in the first four months of 1982 dropped by \$655.6 million, compared with the corresponding period of 1981. Compared with the last four months of 1981, it meant a drop of \$466.5 million.

Among the export commodities, the hardest hit were logs and shrimps. The drop in log export was caused by a new government policy favoring the export of processed timber. As to shrimps, this was attributable to the prohibition of trawling operations which reduced the catch considerably.

During the first four months of 1982, log export fetched \$233 million, whereas during the corresponding period in 1981 the figure had reached \$480 million, and in 1980 it had even hit \$637 million. Even so, the export of logs still occupies the top position among nonoil commodities.

The export of shrimps during the first four months of 1982 was valued at \$41 million, compared with \$53.9 million in the corresponding period of 1981 and \$63.3 million of 1982 [sic: 1980--Tr.] Besides logs and shrimps, export of other commodities was generally down both in value and volume.

For example, log export during the first four months of 1982 reached 1,371,000 tons, and of 1981 3,396,000 tons. As to shrimps, the export during the first four months of 1982 reached 9,460 tons and of 1981 12,690 tons.

The Governor of the Bank of Indonesia said that export credits have been steadily increasing in amount, both of old and new patterns. By the beginning of May 1982, the said export credits had reached 450 billion rupiahs.

Lack of turnover of export commodities has caused voluminous commodities to be withheld for a longer period, although the process for gathering in export commodities goes on as usual. This has slowed down the payment of credits and, in turn, caused the export credits to accumulate steadily.

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CSO: 4213/70

BIOGRAPHIC INFORMATION ON INDONESIAN PERSONALITIES

[Unless otherwise noted, the following information on Indonesian personalities has been extracted from Indonesian language sources published in Jakarta.]

CHANGES OF FUNCTION IN LIPI--On Saturday, 12 June 1982, a transfer of functions took place between officials of LIPI [National Cultural Research Institute], in accordance with a realignment of duties within the organization. The officials affected by the changes and their new duties are: 1) Dr E K M Masinambow, assistant director for scientific affairs and chief of the LEKNAS [National Community Economy Institute] Research Center under LIPI; 2) Dr R I Wahono, assistant director for development affairs and chief of the LEKNAS Community Research Center under LIPI; 3) Dr A B Lopian, assistant director for scientific affairs and chief of the LRKN [National Cultural Investigations Institute] Foreign Cultural Research Center under LIPI; 4) Dr M Buchori, acting chief of the LRKN Cultural Research Center under LIPI; 5) Dr Sarjono, chief of the Information Section of the Bureau of Community Relations under LIPI; 6) Dr Santoso, chief of the Documentation and Analysis Section of the BKKI [expansion unknown] under LIPI; 7) Dr A Lebdo Suwanto, chief of the Protocol Sub-Section of the Correspondence and Executive Section of the Executive Council of LIPI; 8) Dr Sinar Pelawi, acting chief of the Foreign Educational Sub-Section of the Educational Section of the Bureau of Personnel of LIPI; 9) Dr Badji Rudjianto, chief of the Registry Sub-Section of the Office of Research in the Bureau of Personnel. The ceremonies of installation in office and administration of the oath of office were performed by the chairman of LIPI, Prof Dr Bachtiar Rifai, at the LIPI Central Office, Jalan Teuku Cik Ditiro 43, Jakarta. [Text] [Jakarta HARIAN UMUM AB in Indonesian 15 Jun 82 p 2] 5170

COL SEMBIRING MELIALA--The post of commander of Military Region XVII/Cenderawasih was transferred from Brig Gen C I Santoso to Col (Infantry) Raja Kami Sembiring Meliala at the headquarters of Military Region XVII/Cenderawasih in Jayapura [Irian Jaya] on Monday [15 June] in the presence of Army Chief of Staff General Poniman. Brig Gen C I Santoso will be transferred to the Ministry of Defense and Security as assistant for civil assistance development [pembinaan karyawan] of the Indonesian Armed Forces. Previously, Col R K Sembiring Meliala was chief of staff of Military Region

XIII/Merdeka in Manado. Col R K Sembiring Meliala graduated from the first Military Academy in Magelang [Central Java]. Among the posts he has held are: deputy commander of the Air Defense Training Center, instructor at the Army Staff and Command School; commander of Infantry Brigade I/Jaya Sakti; the personal staff of the Army chief of staff; assistant 2 for operations in the office of the chief of staff of the Army Strategic Reserve Command [KOSTRAD]; commander of Indonesian Contingent VIII in the Middle East; commander of Regimental Combat Team 18 in Operation Seroja in East Timor. Beside taking a number of general and specialized courses Col Sembiring Meliala is skilled in several foreign languages, including English and German. [Excerpt] [Jakarta HARIAN UMUM AB in Indonesian 16 Jun 82 pp 1, 8] 5170

TWO DIRECTORS GENERAL IN MINISTRY OF COMMUNICATIONS--Minister of Communications Rusmin Nuryadin yesterday [16 June] installed in office in Jakarta two directors general in the Ministry of Communications. Air Vice Marshal Sutoyo was installed in office as director general of air communications, replacing Air Vice Marshal Sugiri. Dr Sukarno Abdulrachman was installed in office as director general of posts and telecommunications, replacing Major General (Retired) Dr Suryadi. Air Vice Marshal Sutoyo was previously inspector general of the Air Force and had served as commander of Air Region I in Medan and as commander of Air Region V in Jakarta. Dr Sukarno Abdulrachman was previously chief of the Bureau of Plans of the Ministry of Communications from 1972 to the present. Other posts he has held include membership in the Board of Directors of PT Indosat, PT Inti, and PT Tambang Baturbara Bukit Asam [Bukit Asam Coal Mining Company]. [Excerpt] [Jakarta HARIAN UMUM AB in Indonesian 16 Jun 82 p 3] 5170

RETIREMENT OF 25 SENIOR OFFICERS--Army Chief of Staff General Poniman yesterday [17 June] presided over the retirement ceremony of 25 senior Army officers, at the hall at Army Headquarters in Jakarta. They are: Maj Gen Sumpono Bayuaji, Maj Gen Kartoyo, Maj Gen H Edi Sabhara, Maj Gen H R Suharjo, Maj Gen Wibawa K (deceased), Brig Gen Kusnadi Tirtoatmojo, Brig Gen Santoso Kasran, Brig Gen Dr Kandar, Brig Gen Mesach Frans Karangan, Brig Gen Dr Aswas Marmo, Brig Gen Dr Karyono Yudho, Brig Gen Bambang Sinarojo, Brig Gen Mailloa, Brig Gen Suwarso, Brig Gen Dr Aryo Darmoko, Brig Gen Siswarno, Brig Gen Dr Amirudin Syarif, Brig Gen Dr Herman Sarens Sudiro, Brig Gen H M Tarigan, Brig Gen H Mohamed Cholid, Brig Gen Wiyono Tjokrodibroto (deceased), Brig Gen Azis Siregar (deceased), Brig Gen Bambang Djatmiko (deceased), and Brig Gen Mokhtar Harahap (deceased). The deceased senior officers on this occasion were represented by their respective widows. [Excerpt] [Jakarta HARIAN UMUM AB in Indonesian 18 Jun 82 p 1] 5170

APPOINTMENT OF 7 INDONESIAN AMBASSADORS--On Friday [12 June] at the State Palace President Soeharto installed in office Indonesia- ambassadors to Senegal, East Germany, Switzerland, Tanzania, Thailand, the United Nations, and Sweden. The president was accompanied by Mrs Tien Soeharto and Vice President and Mrs Adam Malik, as well as several cabinet ministers and other guests. One of the seven ambassadors installed in office was a woman, Mrs Artati Soedirdjo, who was appointed ambassador to Switzerland. She is the second Indonesian woman to be appointed ambassador during the period of the

New Order [since the replacement of President Soekarno]. Earlier, Miss Sukadijah Pringgohardjoso was appointed ambassador to Denmark. Mrs Artati Soedirdjo replaces Suryono Darusman, who completed his tour of duty in Switzerland. Dr Ali Alatas was appointed deputy permanent representative with the rank of ambassador at the United Nations in New York, replacing Abdullah Kamil, who had completed his tour of duty. Dr Ali Alatas was previously secretary to the vice president of Indonesia and had at one time been Indonesian ambassador at the United Nations office in Geneva. Ambassador Kris Noermattias replaces Mohammad Hasan, who has completed his tour of duty in the German Democratic Republic (East Germany). Ambassador Kris Noermattias had previously served as consul in Hong Kong and Penang and was later stationed in Bonn, Algiers, and London. The other four ambassadors installed in office were Taufiq Rachman Soedarbo, ambassador to Senegal; R Gandoel Soegantyo Koesoemodigdo, ambassador to Tanzania; Alex Rumambi, ambassador to Sweden; and Air Marshal Soebambang, ambassador to Thailand. Six of the ambassadors took their oath of office in a Muslim ceremony, while Alex Rumambi took his oath of office in a Catholic ceremony. [Excerpts] [Jakarta KOMPAS in Indonesian 12 Jun 82 pp 1, 9] 5170

REAR ADMIRAL TEDDY ASIKIN NATANEGARA--Rear Admiral Teddy Asikin Natanegara on Thursday [18 June] assumed his new duties as deputy chief of staff of the Navy at a military ceremony held at Navy Headquarters in Jakarta. He replaces Vice Admiral Moestopo. Previously, Rear Admiral Teddy Asikin was deputy commander of Defense Area III, with headquarters at Ujungpandang. At present 53 years old (he was born on 14 April 1929 in Sukabumi [West Java]), Teddy Asikin began his naval career at age 26. In 1955, with the rank of first lieutenant, he began his service at sea as a deck officer, on the Indonesian Navy ship BANTENG. He began this assignment after having completed his training at the Koninklijke Instituut der Marine [Royal Naval Institute] at Den Helder in the Netherlands. From the BANTENG he transferred to other ships, taking a number of posts. His last assignment at sea was in 1964 as commander of the Indonesian Navy ship RATULANGI. After that, although he did not serve directly on board ship, he continued to hold positions closely related to ships. In 1965 he commanded the Indonesian Navy Submarine Force. In this position he underwent specialized submarine training in Poland. In 1973 he was assigned to Navy Headquarters as assistant 4 for logistics. In 1975 he was appointed commander of Navy Region 2 in Tanjung Pinang. In 1977 he was assigned as commander of Navy Region 3 in Jakarta, and most recently as commander of Defense Area III in 1980. [Text] [Jakarta KOMPAS in Indonesian 18 Jun 82 pp 1, 9] 5170

R SUKOTJO--The inspector general of the Ministry of Trade and Cooperatives, R Sukotjo (age 57) died on Tuesday evening [30 June]. The deceased had entered Army Central Hospital on Friday [26 June], suffering from high blood pressure. His remains will be buried on Wednesday [1 July]. R Sukotjo was born in Purwokerto, Central Java, on 21 December 1925. During his active service in the Army he served as commander of Military Region IX/Mulawarman, commander of Military Region II/Bukit Barisan, and finally as commander of Military Region VII/Diponegoro. He retired from military service on 1 January 1981. The late R Sukotjo was installed in office as inspector general of the Ministry of Trade and Cooperatives on 8 June 1981, replacing

Brig Gen Dr Anumerta Mokhtar Harahap, who died in the United States on 20 March 1981. [Text] [Jakarta KOMPAS in Indonesian 30 Jun 82 p 12] 5170

MAJ GEN (RETIRED) JUNUS SAMOSIR--Maj Gen (Retired) Junus Samosir, an official of BAKIN (State Intelligence Coordinating Body), died in Jakarta on Friday [12 June]. The remains of the late Maj Gen Junus Samosir were on view to mourners on Friday evening at his residence at Jalan Hang Tuah Raya 27, Kebayoran Baru, South Jakarta. The deceased will be buried at Kalibata Heroes Cemetery on Sunday, 13 June 1982, at a military ceremony. [Text] [Jakarta SINAR HARAPAN in Indonesian 12 Jun 82] 5170

CSO: 4213

UNHCR OBSERVES AID GIVEN TO REFUGEE RETURNEES

Vientiane VIENTIANE MAI in Lao 21 Jun 82 pp 1,4

[Article: "Material Assistance was Given to Refugees"]

[Text] On 17 June 1982 the committee for national social welfare and veterans and the social welfare and veterans committee of Vientiane Province gave out material assistance, for example, clothing, items for household use, tools used in production, medicine, etc. to misled refugees who changed their minds and returned to the country, and also to the people facing natural disaster in Ban Somsanouk, Houei Mo Canton, Keo-Oudom District, Vientiane Province. There are 150 families and 619 people.

This is to carry out the correct and just policy of the party and the government that is always concerned with the living of the people of all races.

The material assistance brought to help the people in Ban Somsanouk this time was given by the United Nations High Commission Organization in Laos weighed a total of 3,694 kg with a value of \$9,657. The assistance included 619 each of blankets, mosquito nets, mats, stainless steel dishes, spoons, bowls, pairs of rubber sandals, and 150 each of stew pots, frying pans, rice steamers, large washing bowls, buckets, knives, hoes, spades, shovels, axes, teapots, and 4 boxes of medicine for preventing diseases, 1 container of kerosene, and 1 lb or (1 ton) [as published] of non-glutinous rice.

Mr Boun Hiang, committee chief responsible for the social welfare and veterans of Vientiane Province, was the one who gave out this assistance to the villagers in the presence of the representative of the committee of the national social welfare and veterans, Dr Cooper, and Mr (Askokansanski), the representative of the United Nations High Commission Organization for Lao refugees.

On this occasion representatives of administrative authorities and the villagers expressed their gratitude and their confidence towards the wisdom, capability, correctness, and justice of the LPRP, and also pledged to devote all their physical and spiritual energy to participate in national defense and socialist construction to fulfill the direction set by the party and government.

9884

CSO: 4206/65

SHORTAGE OF PARTY CADRES FOR UNION LEADERSHIP NOTED

Vientiane HENG NGAN in Lao 16-28 Feb, Apr 82

[Article: "The Party and the Unions"]

[16-28 Feb 82 pp 4, 15]

[Text] High echelons of the Lao People's Revolutionary Party declared that: the unions must be more useful in acting as a bridge between the party and the mass of the workers and party workers.

We have studied the essence of this problem and it will be reported when we move to strengthen and enlarge the unions, which will set things right for us.

We therefore have a good understanding of the union's problems; the party members in the factories have a superior understanding, therefore, the party committees in the factories appoint party members to be secretaries of the unions according to certain conditions, and one essential condition is that the appointee be skilled in union affairs.

If the party committee is not able to appoint a party member as a union secretary because members in unions are scarce, then a party member in a technical or other field could be chosen. The party committee must choose someone from the masses who has a revolutionary ideology, good political principles, adequate ability as concerns unions, and is respected by the union members and the committee. He must have good character and be very responsible, dutiful, generous and faithful. He should not have had political, economic or social problems. If he is not a party member but is more progressive than the average, then he can be chosen as the union secretary.

When this outstanding cadre is entrusted with the position of secretary of the union, the party committee must be sure to train him in his important responsibilities to the party. What are these responsibilities?

The working plan of the general committee of the union or a unit of it must be subordinate. That is it must be subordinate to the political plans of the party committee in that factory. I am now talking about the leadership of mass organizations especially the leadership in organizing, rebuilding and expanding unions.

The working plan of the general committee of the union is in error, if it is not subordinate to the political plan of the party committee of the factory.

Of course the party committee must keep its political plan in touch with the realities of each time period so that the party committee can have six-month, three-month and one-month plans. The plans of the union committee for each period are subordinate to these plans and must be carried out correctly and must be subordinate to the working plans of the union committee itself. The plans must also reflect the conditions and demands of each period. When these conditions are met the plan can be drafted. Before it is a correct plan those basics which are subordinate must follow the leadership of the party committee as stated in the plans of the party committee for each period that is the six-month plan, the three-month plan and the one-month plan.

The plenary session of the union committee whether an ordinary or extraordinary session, whether a large or normal session, [can deliberate] every matter except resolutions of the party committee.

[1-15 Apr 82 p 4]

[Text] High echelons of our party have stated that unions are organizations which are closely involved with the party. They are bridges between the party and the mass of the workers and government officials.

How are we workers and officials to find out about this briefly?

In our work places the union committee is directly responsible to the party committee. This link means that the workers have become the real owners of the nation and the factories. Under the old regime we merely sold our labor to the factories of the capitalists for the benefit of upper class reactionaries in order to earn a living for our families. Now we have a new role and the union committees which the party established and resolutely leads must accept all the workers in our factories. Accepting the workers means training them all to be members of the Lao union. The union committees in our factories must constantly be aware of their responsibilities to the party committees and they must always be aware of the workers who have become members of the union. The union committee is established as a unit of the union according to the production or work organization. It brings together training and building and helps bring a strong feeling of brotherhood to the working class. There are quite a few who are not ready to become union members. If we do not try to train them to become members or if we train only one or two a month or five or ten a year this will conflict with the responsibilities of our union committee to the party because the party made it the duty of our union committees to accept all the workers in the unions.

When we fulfill this responsibility, the unions, which are closely linked to the party as a bridge between the party and the masses, will have made an important advance. The problem which we must concentrate on is inviting the workers in the unions. This responsibility should be divided in two steps. The first step would be for the union committees, which are made up of unions members of our factories, to learn about the requirements and duties of building a union and uniting the workers in a union. The next step would be for all the workers to

be responsible to themselves and the working class. This would show itself most clearly in the knowledge and opinions of the working class and the decision to join the unions, which are closely linked to the party and which are a bridge between the party and the masses.

8149

CSO: 4206/54

EARLY LPRP HISTORY REVIEWED

Vientiane SUKSA MAI in Lao Apr 82 pp 2, 14

[Article: "The Origins of the Lao People's Revolutionary Party"]

[Text] The Lao people's Revolutionary Party is persuing the goals of the Communist Party of Indochina.

After the great socialist October 1917 Revolution of the Soviet Union the working class became the heart of the modern era. In many countries the working class established Communist Parties, and among these on 3 February 1930 the working class of Indochina established a Communist Party with President Ho Chi Minh as its leader. After its establishment the strategy of the Communist Party of Indochina was to carry out national democratic revolution to achieve socialism and to lead the people and workers to a successful conclusion of the struggle. Laos has been a part of the Communist movement of Indochina. The Lao party was established in 1936, and there was also established a movement for the people, workers, students and youth. Starting in 1940 the party enlarged the movement in order to carry out revolution and it succeeded in taking control of the Lao government in 23 August 1945 under the leadership of the Lao Party Committee. It announced Lao Independence on 12 October 1945.

After the French aggressors returned and invaded Laos for the second time, the Communist Party of Indochina reestablished the revolutionary and patriotic forces. It led the resistance and created armed units from the people and political units in secure areas throughout the country. The revolution gained strength and on 20 February 1949 the Party established the Lao Liberation Army. On 13 August 1950 the Party called a large conference for the Lao resistance. The conference decided on a strategy for resistance and established an Independent Lao Front and a Lao Resistance Government. The resistance was more successful after this, and the party realized its historical duty in arousing the nations of Indochina to revolution, seizing control of the administration and successfully resisting the French. The revolutionary movement in each country in Indochina grew as it did in Laos, and so the workers in each country could establish their own party to lead their movements skillfully. Therefore at the Second Party Congress which ran from 10 to 19 February 1951 it was decided to divide into national parties.

On 22 March 1955 the Lao People's Revolutionary Party was officially established by the former Congress of Representatives of the Communist Party of Indochina

which at that time consisted of more than 300 members. This was done to further the revolutionary duties of Communist Party of Indochina as mentioned (at the time it was established it was called the Lao Peoples Party but later at the Second Party Congress the word "Revolutionary" was added to be more appropriate with the class struggle.)

The Lao People's Revolutionary Party is a genuine Marxist-Leninist Party of the Lao working class. It is the vanguard which comprises the party. It is the highest organ of the working class. It carries on the duties of the Communist party of Indo-China. The Lao People's Revolutionary Party carries on the struggle for the Lao working class. The party consists of people who gave more for the revolution than the average and were more respected than the average among the working class, farmers and students. They also knew revolution better than most. In addition the party also admitted some from the other classes who were patriotic, were interested in the well being of the working class and sacrificed for the working class and the Communist ideal.

8149

CSO: 4206/54

STUDENT PRESENCE IN SOVIET SCHOOL REPORTED

Vientiane VIENTIANE MAI in Lao 19 Jun 82 p 2

[Article: "Lao Students in Tbilisi, USSR"]

[Text] Vocational and Technical School No 6 in Tbilisi in the Soviet Union is the school that Saignalat Soukan, Phan Phonpaditsichan, Thin Mounthadikhamphon, Thong Chanthalangsi, and Boua Keo-Misai are now attending.

Daseman A-Kobase, the teacher, said, "you must see for yourself to know how the Lao work. They will do their best to make the most of this opportunity. In the beginning when they first walked into the garage they didn't know anything about tools, but later on they became even better than their classmates."

Technical School No 6 is located in the industrial area in the city of Tbilisi, the capital of the Georgian SSR where young people study such occupational subjects as drafting, electric arc welding, metalworking, and automatic and semiautomatic welding.

The course is 3 years long. Extra work for the Lao students includes learning Russian, mathematics, physics, chemistry, and theories concerning metals, drafting techniques, machinery, and the history of the Soviet Union. These Lao youth have their own laboratory with modern equipment.

As for job training, they are trained along with other comrades in the school. But we will not forget to mention that there is time to rest which they choose as they please. For example, Saignalat Soukan finds time to box in the volunteer sports organization "Trudovyeresekvy"; Bouakeo Misai studies telemechanics in a special club. Whenever the Lao get onto the basketball court it's not easy to bring them off it.

After the examinations were over, the Lao students all went to Sukhumi for their vacation. This is a famous city on the shore of the Black Sea. Here they not only rested but also asked to work voluntarily 5-6 hours a day in Sukhumparibo School at the same time.

Boua smiled and said that if they worked they would be able to rest better. Noukoua Lolave, assistant director of the School No 6, said that the first group of representatives of the Lao people who are in their school are very

famous. They like to diligently and carefully do physical work in their school. It has become a tradition to send good students to continue their studies in different cities in the Soviet Union in technical schools in Kiev and Kemerovo according to the guidance committee. There will be two Lao students on the Lao student committee who will continue their studies the same way.

Soukan Saignalat said that they liked Tbilisi, and that the weather is the same as ours. The people there are nice. All teachers are attentive and ready to assist us after the lessons whenever there is something we do not understand. In a short time we have been able to make many friends.

Time has passed by, and the sons of the LPDR have only 1 year left. Vocational and Technical School No 6 is getting ready to welcome more new groups of Lao students starting in the school year in September. They will study together with us, the senior group, and we will try to give warmth and security to those who are newly arrived.

9884

CSO: 4206/65

STATE TRADE SECTOR SALES VOLUME EXPANDS, DOMESTIC CONSUMER GOODS PRODUCTION

Vientiane SIANG PASASON in Lao 18 Jun 82 pp 1, 4

[Article: "Trade Expansion in the First Six Months"]

[Text] In the first 6 months of 1982 the Lao State Trade Sector carried out its work in distributing different kinds of goods to serve production bases orderly and completely. It is strongly taking part in encouraging an increase in the satisfactory outcome for production by the working people of all races nationwide.

In that period of time the state trade sector sent 247 percent more materials, equipment, food and industrial supplies than in the first six months of 1981. This includes rice, salt, milk, and sugar. Also, other consumer products such as cloth, soap, paper, books, pencils, gasoline, and other items increased by 286.39 percent.

Mr Inhom Phinit, acting chief of the Lao Trade Corporation, disclosed how much of the goods that were sent to serve the production bases within the first 6 months were produced domestically: 24.65 percent of food supplies, and 44.74 percent of the industrial products. The Lao State Trade Sector sent these materials and equipment to different provincial trade sectors for distribution. The emphasis of these goods was on sending them to be sold in production bases or for exchange with many items produced by the people, depending on the appropriate conditions for each locality.

The amount of goods sent to the bases has greatly increased because the production of our people is steadily increasing each year. Therefore, the needs of consumers have increased even more. Finally, Mr Inhom Phinit said that although in the first 6 months [the Lao State Trade Sector] was not able to meet the expectation of the year's plan, it will determinedly make an effort to meet the expected figures. Especially now the goal of buying and transporting rice from different production bases all over the country, which involves transporting rice from production bases and districts to provinces, and from provinces to the center, has still encountered difficulty. This is primarily because of the difficulty of transportation routes within our country from districts down to production bases in each location. This delays rice transportation and does not respond to the needs in time.

9884

CSO: 4206/65

NEWSPAPER CIRCULATION, PROBLEMS WITH READERSHIP DISCUSSED

Vientiane VIENTIANE MAI in Lao 22 Jun 82 p 2

['Conversations with the Editor': Column "How Many Copies Does VIENTIANE MAI Print Daily?"]

[Excerpts] [Question]: 1. How many copies does VIENTIANE MAI print each day? 2. How broad is the news coverage? Also, how difficult is it to collect the news? 3. What is the extent of the distribution branches?

I hope I can have your cooperation.

Thank you.

Douangchai

12 June 1982

[Answer]: Dear Douangchai: We would like to answer your questions as follows.

1. VIENTIANE MAI is a daily newspaper, and we print almost 3000 copies each day.

2. Its primary activity is to serve in the political work of the party and the government in propaganda to disseminate the policies and directives of the party and the government. Thus, propaganda or news collection has no limits depending on where it is needed.

There is no difficulty in news collection because all areas cooperate very well. However, there is a little confusion nowadays because we lack labor which constricts and slows down the news collection, and thus we cannot meet the needs in time because this daily newspaper must provide the news quickly and on a broad scale.

3. There are distribution branches all over the capital, Vientiane Province, and abroad. As for distribution branches in different provinces, we have not yet received any answers from them. If transportation is guaranteed to its normal extent there should not be any problems. The most difficult

thing right now is the readers. Normally a majority of the Lao people do not have the habit of reading, as we can see everyday. Suppose that in one department there are almost 500 or more government and state employees. However, when it's time to subscribe to the newspaper there are only 4-5 copies, and not more than 20 copies at most. From this we probably can guess how much importance the people give to reading or learning.

If we compare the number of people who read a newspaper (VIETIANE MAI only) the maximum will not exceed 6000-7000 readers daily out of approximately 300,000 people who lives in the capital. We'll let you figure out for yourself the percent of the people who actually read.

9884

CSO: 4206/65

VIETNAM HELPS LAOS BUILD STRATEGIC HIGHWAY 9

Hanoi NHAN DAN in Vietnamese 17 Jul 82 p 2

[Article by Nguyen The Nghiep, VNA: "On the Occasion of the Fifth Commemoration of the Signing of the Vietnamese-Lao Treaty of Friendship and Cooperation (18 July 1977-18 July 1982): Poem on Highway 9"]

[Text] I got acquainted with Comrade Xieng Pha while serving in the provinces of Central Laos. A military intelligence combatant in the first years of the war of resistance against the United States and for national salvation. Pha later was district military chief, and now is party committee secretary of Tchepone District. During the action against the enemy, Lam Son 719 Operation, Pha guided our main military units across forests and rushing streams to engage with the enemy at Ban Dong, Ta Ky, Huoi San, etc., sweeping away tens of thousands of Saigon puppet troops from the Lao fatherland.

Xieng Pha told me about swift changes in Tchepone. After 6 years of rehabilitation, he said, Tchepone fields are now luxuriantly green. While peasants embrace collective production, material and cultural life has improved with every passing day. With the help of Binh Tri Thien Province, Tchepone City has been rebuilt with populous and cheery rows of streets, complete with schools, hospitals, general merchandise stores, readymade clothing factories, and wood processing enterprises.

Pha also kept me informed of changes on Highway 9. Recounting the latter's story, he made no mention of the poem which he composed while taking part in a military operations along Highway 9 in southern Laos. Nevertheless, I still clearly bore in mind each sentence and each word of his poem, and the emotion-filled voice in which he chanted it.

U.S.-Vang Pao bandits brought in bombs and ammo in heaps
With the intention of Destroying all roads and stalling our
army's advance
But how could U.S. bombs and bullets destroy our Highway 9
Which runs through the hearts of the people?

Darling, I escorted you through the immense forest of amomum
xanthioides
Beyond the forest, the road lay under vast tracks of water

But dug-out canoes were already on hand along the bank
Ready to swiftly carry the troops across the river.

The poem ended on a strong belief:

Tomorrow, Laos will have no more bandits
Highway 9 of our fatherland will grow into a wider one
Darling, I and you will walk on the new road
The heroic Highway 9 leading to Spring.

That belief has come to various nationalities of the Lao people. After the whole country was totally liberated, the Lao party and state decided to build a lasting and modern Highway 9, in response to the need for building and protecting the fatherland in the new era. Highway 9 project, a big and important one in Laos' First 5-Year Plan, was launched. Thousands of Vietnamese cadres and combatants of Building Group 84 have joined forces with Lao engineers and workers of Group 923, and Building Corporations 1 and 2, in carrying out the project. According to plan, the 244 km-long road will be expanded to 13 m in width, including 6 meters to be paved with pebbles, and 7 meters with steel-frame concrete, in order to handle 1,800 passing vehicles per day at speeds from 65 to 80 km/h. Sixty-four bridges totaling 1,719 meters and 300 culverts totaling 4,200 meters will be built on strong foundations to ensure convenient and safe passage of big vehicles carrying tens of tons.

Implementing the project, Vietnamese and Lao construction forces have excavated and built 5 million cubic meters of earth, extracted and paved 800,000 cubic meters of pebble, and poured over 500,000 cubic meters of concrete, and carried hundreds of thousands of tons of iron, steel, equipment, raw materials and supplies across 40 deep rushing streams and over 500 km of road from Da Nang harbor to the worksite.

During the first spring days of 1981, vehicles and machinery of Lao mechanized units congregated there. Over 200 cadres, engineers, and workers from transportation, vehicles and machinery, and exploitation units of Building Corporation 1 stayed in a virgin jungle, having neither houses nor potable water. However, rather than wait for 3,400 square meters of houses to be built and for wells to be drilled to get water for daily use, cadres, engineers and workers mobilized nearly all vehicles and machinery urgently to excavate and carry hundreds of thousands of cubic meters of earth needed for roadbed building. In 1981, Building Corporation 1 construction units excavated and built over 500,000 cubic meters of earth. This was due to the fact that building teams increased the working time of vehicles and machinery, and ameliorated equipment output. The drivers' team of the corporation raised transportation productivity from 2,000 to 3,000 cubic meters per day. Putting final touches on 20 km of new road, thousands of cadres and combatants of Group 923 stationed in Xethanuoc City excavated and used over 3,000 cubic meters of pebble, built 15 culverts in concrete, and 2,000 square meters of new houses. In addition to 5 construction battalions, Group 923 has formed] battalions specializing in producing grain and food and in providing services. Its production installations grew crops on 317 hectares, yielding

nearly 400 tons of paddy per year, and reared 250 bovines, 124 goats, 50 hogs and 50,000 fish.

Implementing the Vietnamese-Lao Treaty of Friendship and Cooperation, Building Group 84 has been charged by our party and state with the glorious international task of helping our friends build 44 km of Highway 9, from Tha Khoong to the major road along the friendly border between the 2 countries. This is the only road section running across a region of dangerously high mountains, interspersed with 150 large rivers and torrents. To build it, construction units of Building Group 84 had to excavate and build 1 million cubic meters of earth, build 17 bridges in concrete totaling 600 meters, and 142 culverts of various sizes totaling 2,727 meters. Besides building new Highway 9, Building Group 84 also rehabilitated portions of the old one, excavating and building 80,000 cubic meters of earth and pebble, covering 19 kms of road with pebble on a crash basis, making 31 bridges and 15 culverts, paving subterranean spaces with 8,500 cubic meters of pebble...in order to meet immediate transportation needs. Hoang Dinh Phuong, the group leader, assumed the task with much concern. However, he was not worried about the inability of his cadres and combatants to overcome privations while living in the western part of the Annamitic chain. A military cadres himself with many years of fighting on various Lao battlefields, from the war of resistance against France to that against the United States, and accustomed to going hungry, sleeping in the jungle and braving the burning hot Lao monsoon wind, together with other cadres and combatants, he understood his own men very well. But, he believed that, with the help of a solid and stable rear, and with the wholehearted assistance of the cadres and people of friendly Laos, his cadres and combatants would properly carry out the new task.

During construction days, the mountainous district of Tchepone seethed with action and joy, surpassing even the festival days in terms of liveliness. Convoys of vehicles carrying machinery, equipment, raw materials, building materials, and consumer goods, were speeding across high mountain passes and deep rushing streams in the direction of the worksites. On a hilly area, tens of kilometers in length, cadres and combatants of mechanized units, at the wheel of their bulldozers, mechanical shovels and road rollers, were working under a scorching sun. The K-6 main road opening unit launched the movement to excavate 10,000 cubic meters of earth per week. C-7 cadres and combatants completed, ahead of schedule, their concrete paving work on both ends of Tha Khoong ferry, thus allowing big vehicles to move up and down with ease. Two big bridges at Huoi Lua and Xa Han, each comprising two arches and measuring 45 meters, have been built. Standing ready next to construction teams, cadres and combatants of the C-3, K-500 repairing units promptly repaired hundreds of out-of-order vehicles and machinery. Besides, they went to distant places where they disassembled and collected over 20 tons of spare parts from trucks and tanks of Saigon puppet troops, which were wrecked during the Lam Son 719 Operation. They used these parts to repair vehicles and machinery of the units, saving nearly 100,000 dong in the process. Nguyen Van Can, a skilled welder, due to conscientious study, has become an expert at repairing all kinds of vehicles and machinery. He has come up with 19 initiatives, including the 1 which raises labor productivity by 400 percent.

Xieng Pha led a delegation of Tchepone people to visit cadres and combatants of Building Group 84 many times. On each occasion, he would remind everyone of the wonderful days of coordination between Vietnamese and Lao troops to beat the enemy in Tchepone, Dong Hen, Muong Phin and Muong Phalan. He would thank the group for giving the locality a big ferryboat and a 100 meter pontoon bridge. He would also thank it for giving fire victims of the two mountainous villages of Huoi Xan and A Lang tons of rice, clothing, blankets, antimosquito nets, and household utensils. He would refer to the medical room reserved for Lao mountainous villagers in the Group's infirmaries, as well as to packages of candies and kilos of sweet cakes given to Lao children.... In an intimate chat, Pha confided, "We initially thought that some 10 more years would be needed for the building work on Highway 9 to begin. Only with the strength of the Vietnamese-Lao special relationship, a bright and rare model of faithfulness, coupled with the assistance of a number of brotherly countries, could this gigantic undertaking have been successfully carried out."

9213

CSO: 4209/440

STATE TRANSPORTATION NETWORK INCLUDES PRIVATE SECTOR ASSETS

Vientiane SIANG PASASON in Lao 18 Jun 82 pp 2,3

[Article by Ketmeuang: "Expansion of Transportation"]

[Excerpts] On the occasion of the annual report for 1981 and the report for the first 6 months of 1982, Comrade Khamala Visisombat of the Transportation Department Committee subordinate to the Ministry of Communications, Public Works, and Transportation, pointed out that the actual results in carrying out each kind of work, e.g., the nationwide transportation network organization work at the center as well as on the local level have been improved and converted to the socialist economic control system. The transport company for goods and passengers has been improved, especially the international transport company. The detailed situation at the present time is that the corporation for transportation of goods by vehicle consists of 4 production units, the corporation for transportation of oil by vehicle consists of 2 production units, corporation for transportation of goods by water consists of 1 production unit, and passenger bus transportation corporation consists of 1 production unit. These transport companies have their main locations in Oudomsai, Vientiane, and Savannakhet Provinces. Nationwide, transportation in many different provinces has improved its organization, and many provinces have converted their transportation divisions to transportation corporations or at least to transportation divisions with economic effect, for example, Louang Nam Tha, Houa Phan, Xieng Khouang, Luang Prabang, Vientiane, Khammouan, Savannakhet, Champassak, and Attapeu Provinces. Transportation by means of vehicles owned by the private sector and the people has been transferred to the provinces for organization and control. Some provinces have organized transportation and production with modern vehicles in the form of associations in order to advance themselves to finally becoming a cooperative.

To carry out the transportation of goods nationwide, automobiles and vessels owned by the government and the private sector were collected. There are a total of 2,740 trucks that are able to transport 13,500 tons on the average, and a total of 66 vessels which can carry 3,950 tons. Besides these, traditional vehicles are still being used along many different production bases. The 1981-1982 transportation plan included a limited amount of administration and technology, but opened the opportunity to and fully ensured the production enterprises. There are a total of 2,440 people working under the Transportation Department responsible to the center. This includes 1,180 people who are working for the government and 1,260 people who are working for the private sector.

The results of the 1981 State goods transportation plan includes transport companies, different ministries, provinces, and private associations with a total of 857,000 tons and 86,593,270 ton km. This includes 845,210 tons by land or 83,511,270 ton km, and 12,790 tons by water or 3,182,100 ton km. Passenger transportation amounted to 6,851,713 passenger trips and 65,173,500 passenger kms.

In the first 6 months of the 1982 plan they were able to transport 49,450 tons of goods or 9,322,096 ton km, and 1,666,253 passenger trips or 24,700,376 passenger kms. Meanwhile, they attentively carried out the plan to train cadres and transport workers, to send students to study abroad, and to train workers in driving, studying political ideology, and to carry out the plan to build up bases following 1981.

9884

CSO: 4206/65

BRIEFS

SARAVANE RESETTLEMENT--For the rice growing season this year 38 families in the mountainous region in the Pa-Ai Canton area, Saravane District, Saravane Province, decided to abandon shifting cultivation and came down to cultivate rice paddies as their permanent occupation in order to decrease the destruction of the forest, which is a valuable natural resource of our country. After they arrived at the flat land the local administrative authorities attentively assisted and took care of them very well, for example, arranging for each person to join an agricultural co-op and to take part in putting tools together to suitable service in production. Up to now they have successfully sowed and ploughed the main part of the rice fields and soon expect to finish planting in time for the season. [Text] [Vientiane SIANG PASASON in Lao 22 Jun 82 p 1] 9884

REDUCTION OF SLASH AND BURN--For the rice growing season this year, farmers of Vang Viang, Kasi, Phon Hong, Paksan, and other districts in Vientiane Province abandoned 1,000 hectares of shifting cultivation areas and came down to cultivate rice paddies on flat land. Last year the people in Vientiane Province engaged in a total of only 2,500 hectares of slash and burn shifting cultivation. But this year there were only 1,500 hectares of this kind of shifting cultivation. The reason for this is that each family clearly understands that shifting cultivation not only destroys our valuable national forest resource, but also that the harvest is less than for wet rice paddies. Thus, they voluntarily decided to abandon the slash and burn cultivation, which is not a permanent occupation, to come down to cultivate rice paddies. In the early period they were very attentively assisted in equipment to serve in production from each level of the administrative authorities. [Text] [Vientiane VIENTIANE MAI in Lao 19 Jun 82 p 1] 9884

CSO: 4206/65

REVIVAL OF FRENCH INTEREST IN MALAYSIA

Kuala Lumpur BUSINESS TIMES in English 28 Jul 82 p 22

[Text]

PARIS, July 27

THE Mida office here has lately received numerous enquiries from the French private sector on business and investment opportunities in Malaysia.

Mida director, Lay Ah Oon, said they came from industrialists who were involved in low and medium-cost housing projects, rubber processing, oil, gas and chemical products, food and beverage as well as agricultural processing, electric and electronic equipment, wood and building materials, hotel and tourism.

He told *Bernama Economic Service* today that the change in the attitude of the French government under President Francois Mitterrand could have resulted in the increase in enquiries received.

Mr Lay said that this development was in con-

trast with the situation of the past five years when the effort by Mida office here had not been too successful.

"We were on the verge of closing down our office and shift it to Zurich, but now it has changed," he added.

He said the visit by Deputy Prime Minister Datuk Musa Hitam here last May might pave the way for possibly more investment in Malaysia by the French.

Members of the business delegation led by French Minister of International Trade Michel Jobert who visited Malaysia earlier, could have also spread the news among business circles here on business opportunities in Malaysia, he said.

It is understood that the Malaysian Ambassador here, Tan Sri Abdul Rahman Jalal, is

in touch with Mr Jobert and other French officials to help smoothen the flow of investment between the two countries.

Mr Lay believed that France was focussing more attention on Asean, particularly Malaysia in its future investment programme.

In fact, it had identified Malaysia as "a zone of potential business development."

He said several French businessmen and industrialists had also asked the Mida office here to organise their visits to Malaysia.

Mr Lay also said several French companies were in various stages of negotiations with Malaysian government agencies including Hicom and Fima and the private sector in Kuala Lumpur to set up joint venture projects.

CSO: 4220/655

JAPAN IS LEADING EXPORTER TO MALAYSIA

Kuala Lumpur BUSINESS TIMES in English 23 Jul 82 pp 1, 20

[Text]

IF "Look East" means buying more from Japan, the new policy is succeeding very well. Perhaps too well.

A study of the country's external trade relations with the rest of the world shows Malaysia buying more than ever from Japan, which is outselling every other country or regional grouping.

But as Peninsular Malaysia's trade figures for the first four months recently released by the Statistics Department show, Japan isn't our best customer.

In terms of exports, tiny Singapore is the biggest market with purchases for January-April 1982 amounting to \$1.68 billion, or 26.7 per cent of Peninsular Malaysia's total exports.

The bulk of the exports to Singapore consists of natural rubber (\$184.6 million), palm olein (\$191.4 million), palm stearin (\$80.3 million), sawn timber (\$57.7 million), crude petroleum (\$703.3 million) and

thermionic valves and tubes, photocells, etc (\$54.5 million).

Most of the items are re-exported or re-processed into higher-value items that figure prominently in the republic's export trade.

The EEC countries form the next largest market for Malaysian products, absorbing \$1.05 billion or 16.8 per cent of total exports from the peninsula.

Exports to Japan dropped from \$954.3 million (13.1 per cent) in the first four months of 1981 to \$733.5 million (11.4 per cent) in the same period this year.

Japanese imports from Peninsular Malaysia were mainly commodities like tin (\$149.7 million), rubber (\$34 million), crude petroleum (\$309.9 million), palm oil (\$20.6 million), palm olein (\$20.8 million) and thermionic valves and tubes, photocells, etc (\$21.5 million).

In contrast, Japan accounted for \$1.71 billion (21.5 per cent) of Peninsular Malaysia's imports

during the four-month period, the bulk of its sales comprising manufactured products, heavy machinery and equipment and transport equipment.

The success of Japanese industrial plant suppliers and construction companies undertaking major projects — some tied under yen credits — has contributed significantly to imports from that country.

The United States accounted for 18.4 per cent of Peninsular Malaysia's imports (\$1.45 billion) followed by Singapore 13.2 per cent (\$1.05 billion) and the EEC 11.5 per cent (\$910.2 million).

Among the individual EEC countries, the United Kingdom sold the most to Peninsular Malaysia, \$345.2 million (4.3 per cent), corroborating the government's stand that its policy of dropping the traditional preference for British goods certainly did not amount to a boycott.

Other leading EEC

suppliers to the peninsula were the Federal Republic of Germany (\$292.4 million or 3.7 per cent), France (\$96.5 million or 1.2 per cent), Italy (\$66.8 million or 0.8 per cent), the Netherlands (\$41.3 million or 0.5 per cent) and Belgium (\$35.6 million or 0.4 per cent).

On the export side, the Netherlands is Peninsular Malaysia's best customer among the EEC countries, accounting for \$360.5 million (5.7 per cent) of total exports.

Britain is the next largest buyer with \$225.5 million (3.6 per cent), followed by West Germany, \$192.6 million (3.1 per cent), Italy, \$86.2 million (1.4 per cent), France, \$83.7 million (1.3 per cent), Belgium, \$55.3 million (0.9 per cent) and Denmark, \$43.6 million (0.7 per cent).

The figures show that Japan, whose work ethics the Malaysian government hopes to adapt in efforts to boost productivity, is our largest supplier but not our biggest buyer.

CSU: 4220/655

SOME ENCOURAGING ASPECTS IN ECONOMIC DOWNTURN

Kuala Lumpur BUSINESS TIMES in English 28 Jul 82 p 22

[Editorial: "Malaysia -- Down But Not Out"]

[Text]

THE Malaysian economy is going through a bad patch but a momentum of growth is being maintained even in this difficult period. There are two clear pointers to this in the latest report of Bank Negara, one being the rise in the value of machinery and equipment imported into the peninsula by 34 per cent over the level of the same quarter last year. After allowing for inflation in export prices of industrial countries, this would still represent a fairly substantial increase in investment. The second indicator to look at is the rise in bank credit in the first quarter at an annual rate of over 18 per cent. While the rise was much slower than in the same quarter of 1981, a continued increase at a rate well above that of domestic inflation suggests that substantial investment was still taking place even though the cost of money remained rather high. It could not be otherwise because the slow growth in deposits kept banks on a tight leash. Another encouraging aspect, revealed by Bank Negara's figures for government spending, is that the Treasury had begun to apply the brakes well before the Cabinet formalised cuts in budgetary allocations. This brings out the fact that the government customarily takes great care to cut the coat according to the cloth, although it may not have advertised the fact while an election was in the offing. It is equally noteworthy that the cutback was selective; housing and education were spared, with spending under these two heads allowed in fact to increase well over the year-ago levels. In other words, a deliberate attempt was made not to slow down programmes serving the basic needs of the masses. This underlines the government's adherence to the social priorities it stands committed to ob-

serve. Figures for subsequent quarters will no doubt confirm the continuance of the same approach in trimming expenditures.

Another set of figures which shows that budgetary adjustments are achieving their intended purpose is the decline in the trade deficit. That this has happened despite a further slowdown in exports highlights how quickly the import bill has gone down as a result partly of restrained government spending and partly of the caution being exercised by the private sector as well as consumers in this period of difficulty. Mention should also be made of the contribution made by Petronas towards narrowing the gap by stepping up oil production and exports. The fact that both are up by about 10 per cent from the levels of last December is quite remarkable in view of the worldwide glut which has obliged Opec to place a ceiling on the production of its members. What is helping Petronas is the quality of Malaysia's crude which makes it more readily marketable than that of its competitors.

With the further squeeze in public spending enforced since the first quarter, the balance of payments gap will be still smaller. Although Malaysia with a debt service burden lower than that of most Third World nations has the option to borrow its way out of the present downturn, it is doing this with great circumspection — a fact noted by would-be lenders in their assessment of this country's policies. As they freely acknowledge, Malaysia has not only an intrinsic resilience, thanks to the successful diversification of the economy over the past decade, but it has also the good sense not to take needless chances.

CSO: 4220/655

DEPUTY PRIME MINISTER WARNS PAS AGAINST ILLEGAL ACTS

'Using Religion'

Kuala Lumpur NEW STRAITS TIMES in English 3 Aug 82 pp 1, 2

[Text]

ALOR STAR, Mon. — Datuk Musa Hitam today warned Pas that the Government will not stand still in the face of acts by the party which are against Islam and the nation's constitution and laws.

"What I want to stress to Pas is to remember that if you dare to do, you must dare to be responsible for it," he said.

In a blistering attack on Pas, the Deputy Prime Minister said the party must be willing to accept the result of their tactics and moves "which are against our laws, our constitution and our religion."

Opening the Jeral Umno divisional meeting at Guar Chempedak, about 32 km from here, he said Pas has become desperate after its loss in the general election.

"If they want to be desperate and stubborn, they can be that. If they want to cam-

paign and criticise the Government, they can also do so.

"But we now have reports that Pas, after being unsuccessful against us in the election, has now chosen ways which are deviant from the democratic principles of our country, our laws and the constitution," he said.

Datuk Musa said Pas members were now taking over mosques in moves which are carefully planned.

They are also continuing their smearing campaigns and branding Muslims as infidels and manipulating issues.

He said the Government will study thoroughly any action before taking it.

He also said Pas was using religion for its own political ends.

"When the Government does not build suraus, they say the Government is not keeping its promises to the people.

"When we build it,

they tell the people not to pray at the surau. When they want to pray, they bring their own imam as they say the official imam is not valid," he said.

Datuk Musa said since Pas had collapsed after the elections. "They are now refugees in Trengganu and Kelantan."

While the Barisan Nasional Government is busy implementing development plans, he said, Pas is still campaigning against the Government as if the election is not over.

Datuk Musa called on Umno members to be patient and calm and not to resort to tactics which are against the law.

Datuk Musa also urged Umno members to go all out to counter the tactics by Pas "which in all its action is doing things which are against Islamic teachings.

Kuala Lumpur NEW STRAITS TIMES in English 28 Jul 82 pp 1, 2

[Text]

KUALA TRENGGANU, Tues. — The authorities are investigating the split among Muslims in Trengganu following incidents during which prayers were held in separate congregations in Besut and Marang.

Security sources said that apart from political ideologies, the authorities did not dismiss the possibility that the Persatuan Persaudaraan Islam (Paperi) could be involved.

Paperi is a clandestine organisation set up by the Communist Party of Malaysia (CPM) to influence the Malays to support and accept the struggle of the communists.

The CPM is aware that as long as the Malays do not support its struggle, it will not succeed.

They are trying to coerce the Malays by saying that Islam and communism can work together and communism is not against Islam while at the same time preaching that in communism God does not exist.

The sources also said there was a big possibility that Paperi could have used religion as a tool to penetrate several areas in Trengganu where there was disunity among Muslims.

The people had been advised not to be taken in by the instigations of certain groups, including religious fanatics, who were trying to create feelings of hatred for the Government.

The security sources pointed out that there were now two groups which threatened the security in Trengganu — one was a group calling for a Government fully based on Islamic laws, and the other, Paperi.

Both groups were willing to use violence, including killing, in their efforts to bring down the Government.

The first group comprised those who support a political party and are extremists who want the entire administrative system in Trengganu to be based on Islamic law.

To achieve this objective, said the sources, they were willing to use violence like illegally occupying suraus and mosques. They also fanned up feelings of hatred for the Government by, among other things, having separate imams in mosques.

The group discreetly received support from certain political leaders in the State who were instrumental in incidents which were against Islamic teachings.

The party leaders wanted themselves to be accepted as experts in Islamic affairs and what was said by them was the truth.

The sources also pointed out that the group was unaware that their actions had enabled Paperi to penetrate and take advantage of the situation.

Bernama understands that several leaders of a political party are under investigation under the Internal Security Act for their role in breaking up unity among Muslims and threatening the security of the State. — Bernama

ARMED FORCES' EFFICIENCY NOT AFFECTED BY ECONOMY DRIVE

Kuala Lumpur NEW STRAITS TIMES in English 2 Aug 82 p 5

[Text]

KUALA LUMPUR, Sun. — Armed forces exercises have been trimmed in line with the Government's economy drive, Chief of Staff (Operations) Maj. Jen. Yaacob Mat Zain said today.

The high costs of such exercises is said to be a determinative factor for the trim.

Future exercises will also be localised and the transporting of participating troops to exercise areas will be halted.

Troops taking part will now carry out the exercises at sites nearest to them, he said after launching Exercise Pahlawan III at the Sungai Buloh camp.

Jen. Yaacob added that such a move would reduce transportation

costs. At the moment, exercises such as the Gonzales series being conducted in Johore, Trengganu and Pahang involve the transportation of troops to these areas.

However, the Gonzales series would be continued but their frequency will be reduced, he said.

Elaborating on the trimming of exercises, he said that much as the Defence Ministry wanted the exercises on a full-scale, the present situation did not permit them.

One exercise affected by the economy drive is the Pahlawan III, which is a joint exercise comprising the army, navy and air force.

It was initially planned for four phases, but now the last two phases which were to have taken place next

month, have been shelved.

The total cost of phases three and four of Pahlawan III is \$2 million for fuel, rations, paratechnics and ammunition, Jen. Yaacob said.

Phases three and four would have been amphibious exercises involving troops, ships and aircraft. In all about 2,000 troops complemented with vehicles, guns and other equipment, would have participated.

Jen. Yaacob said the exercise was essential as it gave all the three services of the forces an opportunity to work out things together.

Being young, our forces need such exercises as we are still in the early stages as far as joint exercises are concerned, Jen. Yaacob said, citing the Falklands war as an example where the

British and Argentinian army, navy and air forces were involved in fighting the war.

Jen. Yaacob also said that personnel from three brigades which had been suspended as a result of the drive, would be channelled to other units in the armed forces.

These people will fill vacuums in the other units but no one will be asked to leave or be retrenched, he said.

High ranking officers attached to the affected brigades would be answerable to the Chief of Defence Forces and would be required to do special duties, he added.

Those involved in the transfer would return to the suspended brigades when the economic situation improved, Jen. Yaacob said.

Nevertheless, he assured that the operational efficiency of the forces would not be affected by the economic measures taken. — Bernama

CSO: 4220/655

ECONOMIST FEELS DOWNWARD TREND HAS BEEN ARRESTED

Kuala Lumpur BUSINESS TIMES in English 27 Jul 82 p 2

[Text]

MANILA, July 28

THE Philippines' long battle against recession appeared to have bottomed out and recent indications showed that country was now slowly moving to economic recovery, a leading Filipino economist has said.

Vice-president for industrial economics of the privately-funded Centre for Research and Communication (CRC), Mr Jesus P. Estanislao, said that the "distressing downward trends have been largely arrested."

Mr Estanislao said the monetary and fiscal policy differences with the US had been mainly responsible for "keeping at bay for some time," the forces of recovery in the country.

He said prospects from Philippine economic growth would be "less bleak" but still cloudy although the economy would pick up with a moderate growth of exports, controlled increase in imports with an estimated trade imbalance reaching between US\$2.3 and US\$2.4 billion.

Mr Estanislao said the remaining six months would post a slow but positive growth where the Gross Domestic Product in real terms would reach about three per cent.

He also said consumer spending would also grow at the same rate while investments would only increase by one per cent in real terms.

Mr Estanislao said the slow growth rate would perhaps continue up to 1983 when a 3.3 per cent business economic activity index (GDP in real terms) would be reached.

According to him, the five per cent decrease of the exchange rate of the Philippine peso to the US dollar, the lowering of the double digit inflation rate and 20 per cent reduction of the interbank call loan rate from 1981 indicated that the country was still in a

recession.

He cited the untapped "inner dynamism in Philippines business" which would be make the country "less dependent on the external environment."

He said the Philippines should gain "more confidence" since it fared relatively better economically in the recent economic slowdown than the industrialised countries of the Organisation for Economic Cooperation and Development (OECD).

THE Philippine government is to press for a six per cent increase in its textile export quotas to the European Economic Community (EEC) during the second round of negotiations scheduled in Brussels this September.

Press reports quoted Deputy Trade and Industry Minister, Mr Vincente Valdepenas, as saying the proposed increase would raise the volume of the country's textile and garments exports to the EEC from 287 million to 304.2 million square yards.

Mr Valdepenas said the increased quota, if approved, would be covered by a second Philippine-EEC bilateral pact.

He also cited the EEC's stubbornness in forcing the Philippines to accept terms and conditions which he said would be detrimental to the textile and garment exporters. He did not elaborate.

The Philippines and three of its four Asean partners, Singapore, Indonesia and Malaysia, have been unsuccessful in reaching an acceptable bilateral agreement with the 10-member nations of the EEC.

Thailand is the only Asean member that had so far formalised an agreement regarding its textile and garment exports to the EEC. — AFP

SHORT-TERM ECONOMIC PROGRAMS ARE NEEDED

Kuala Lumpur BUSINESS TIMES in English 27 Jul 82 p 22

[Editorial: "Hard Choices Before Manila"]

[Text]

THE Philippines faces a double jeopardy. Both the political and economic climates have worsened significantly in recent months. A manifestation of the political turbulence is the demand made late last week by the head of the powerful Catholic Church in this predominantly Christian country that President Marcos should make way for a new leader because of his failure even after 16 years in office to solve the country's basic problems. As Cardinal Jaime Sin put it, something had to be done to reverse the growth of communist influence and restore the respect and credibility the government had lost. The timing of the Cardinal's broadside was undoubtedly related to the fact that he was on the point of leaving for a visit to the US, and he was clearly making a bid to undercut the strong support forthcoming from Washington for Mr Marcos since Mr Reagan moved into the White House. But it is arguable that the Cardinal would have been less inclined to put himself so sharply against Mr Marcos if the country was not facing a second year of serious economic difficulty.

How serious the situation is brought out in the report for the first six months of 1982 presented by the governor of the Central Bank, Mr Jaime C. Laya, last week. The trade deficit is almost 50 per cent up over the record level of the corresponding period of last year; foreign debt has reached a staggering level of US\$15 billion or over US\$300 per capita; and unemployment in the cities has increased markedly both because of cyclical factors and the new policy of reducing protection for domestic industries with the long-term objective of improving economic efficiency.

In sum, the economy is in pretty bad shape, earning for the Philippines the dubious distinction of being the most vulnerable among the Asean five to the current global malaise.

The question, however, is whether any of this can be blamed on Mr Marcos. The slide in commodity prices which has sharply worsened the terms of trade is something over which neither the Philippines nor any other country in a comparable situation has any control. Again, the drain of resources on account of a huge petroleum bill is a problem plaguing many Third World countries which made the mistake of letting oil become the dominant source of energy. Valiant efforts have been made by Mr Marcos since the first oil shock in 1974 to look for alternatives but it is nobody's fault that success continues to be elusive — partly because of the difficulty in mobilising adequate investment to achieve a breakthrough.

While Mr Marcos can undoubtedly claim that he is doing his best for the country in an exceptionally difficult situation he as a pragmatic leader cannot afford to overlook the growing restiveness in his country to which the Cardinal's tirade bears witness. Although the government's present plans for structural changes in the economy may be appropriate from a long-term perspective the President will be well advised to put some of them in abeyance to make room for short-term programmes designed to mitigate hardships of the man-in-the-street. Such a shift in strategy is essential to reinforce political stability without which the economy will suffer setbacks.

CSO: 4220/656

GEN CHAVALIT INTERVIEWED ON CPT, KHMER COALITION

Bangkok MATICHON in Thai 4 Jul 82 pp 36-38

[Interview with Major General Chualit Yongchaiyut, Head of the Army Department of Military Operations: "The CPT Has Lost"; date and place not specified]

[Question] What advantages and disadvantages do you see in Thailand's handling of the problem of the three Cambodian factions?

[Answer] As we try to see it, the Ministry of Foreign Affairs tries to comply with resolutions of the United Nations. I think that the intention of the Ministry of Foreign Affairs or of ASEAN in becoming involved must be to achieve our ultimate goal, to make Cambodia more peaceful and to act according to the UN resolutions to bring about free elections. Other than that, I don't know, because it is a matter of policy.

[Question] In that case, do you think it will take a long time or not?

[Answer] The problem is not the three Cambodian factions. The basic problem is those in power in Cambodia. I still cannot say definitively in what year there will be peace in Kampuchea, because those in power there have stated clearly that there is no return. If there is no change in that, I don't see when there will be peace.

[Question] Are the things the Ministry of Foreign Affairs has done government policy or not?

[Answer] You'll have to go ask....

[Question] Have you read in SIAM RAT the open letter disagreeing with the actions of the Ministry of Foreign Affairs? At the same time, read the next issue of SOY SUAN PLUT.

[Answer] That is how it is in a liberal country. There must be freedom of thought. It takes time to develop a consensus in a liberal country, standing on clear principles.

[Question] Then we don't have to act openly in order to achieve our goals?

[Answer] We are considering the problem. We are trying to choose our methods as best we can. We don't say how it's been in the past. We say in the future we will choose our methods to the best advantage of our nation.

[Question] To do that, won't we have to confront Vietnam militarily?

[Answer] What do you mean by military confrontation? You mean up to the present we have not had a confrontation, right?

[Question] When there is progress with the Cambodians, usually it affects the Lao situation.

[Answer] I won't say I think there is no way for relations, that the reason we can't have relations is that we know where the incidents involving the Maekhong River Operations Unit come from. Everyone has his story. But to answer that question, I don't feel it's that way. Anyway, we'll have to see. What you say may be true.

[Question] Does it worry you that the government might not last until the elections?

[Answer] All things have causes and effects. We are looking at what causes instability in the government. I still am not clear. Today's problems are general problems, a large part are economic troubles. I think that we must all be fair to the government. If the government doesn't take an interest in these problems, then it is at fault.

But the government is doing its best to try all methods of solving these problems. It has announced that clearly. The prime minister has become the head of the economic team and is very sincere in wanting to succeed. I think if we take these problems as our criteria for stability, we are not being very fair to the government. There aren't any other problems.

The political arena has been proof of this. We don't have political problems to worry about in the government. And in the military, there is even less reason to worry about the stability of the government. I think there are problems in three or four other areas. In foreign affairs I don't see any.

[Question] Will Policy 66/23 be revised?

[Answer] Policy 66/23 does not need to be revised at present because this policy covers all matters in the fight to defeat the communists. We will see problems of communist organizations composing a united front party for armed struggle and one composing the communist movement. But the communist movement that chooses armed struggle or war must be wiped out first. Before moving on to the next step we must be able to clearly state that we have finished with the war. That is the first concern of the army.

Policy 66 states clearly that war activities are to be ended as quickly as possible. After they are ended so that the united front movement of that

party is destroyed or cut off, we will try to find an opportunity to bring about an understanding and change that party's dedication to armed struggle to proper and suitable methods in line with the nation and the majority of the people's needs, struggle through democratic and peaceful means.

In the fight with the opposite side in the towns, we try to follow the methods they actually use in the struggle in rural areas, which come out clearly in expansion meetings in the northeast, and that they will want to submit to the fourth assembly. They have spelled out clearly that that is still their stand. I think the fighting in the towns is probably a problem we should think about and prepare for, but it probably is not as important as their methods of fighting in rural areas.

I think the activities in the next stage will take more energy and be more of an overall endeavor than the defeat of the revolution of the CPT. It is easy to win the war against the CPT, but to defeat the united front is most difficult.

[Question] Does the struggle by democratic means refer to having the CPT come fight in the legislature?

[Answer] I think we can be too hasty in our conclusions in this matter. The important question is that we informed the CPT clearly that the armed struggle had no way of succeeding. It is contrary to the needs of the people and brings destruction to the nation. We said that no matter how they struggled, with whatever methods, they couldn't win. We said our government was open to all things. They could submit anything suitable to be discussed. The problem is we never, to the present day, received an answer from the CPT. We told the CPT we wanted to do it this way--stop using violence and destruction and use negotiation and discussion--but they still chose to use armed struggle. We asked them to refrain from beating and killing people and destroying public property. Will they come to terms with the blood-sucking capitalists who snatch the resources of the nation to benefit their own movement or any group, although we are trying to fight that group of blood-suckers? Could they let us know whether they are loyal to the institution of the king? We submitted this to them, but haven't had a response. Why hurry to that point?

[Question] How do you define communist united front?

[Answer] The united front consists of individuals or movements that do things that benefit the communists.

[Question] Will some official radio reports accuse innocent people of being in the united front?

[Answer] It takes time to inform and educate people to understand the communists. It all depends on whether they wrong society, economically or politically. They are the united front. Actually, there are several levels to the united front.

[Question] In the document summarizing the official victory over the communists there was no mention of distribution of income, which is essential in wiping out the united front, and the one to solve these problems is the government. Do you think the government can take the responsibility for solving these problems? What part will the military play?

[Answer] The problem of distribution of income or the problem of social inequality was spelled out clearly in Order 66, although we spoke of sharing the benefits of people of different classes, which is the same problem. Economic problems must depend on the power of politicians for solutions. I think that there is no problem in the world that cannot be solved. All the movements we speak of now or that we will be acting against on the basis of strategies we have devised should understand that it will be hard for them, because although we have been engaged in this for a long time we understand it better. In summary, there are no problems that we can't solve. Time will tell.

[Question] The joining together of political parties after the 1983 elections is anticipated to bring about chaos. How do you see the political situation?

[Answer] I don't see the military as an obstacle to the new government. I don't see that the new government will believe that the duty of the military concerning security is unimportant. Civilian or elected governments will give greater importance to security.

[Question] How sure are you that the new government will use Policy 66/23 of military leadership in politics?

[Answer] The problem of policy to defeat the communists is a national problem. It is a social and economic problem. This order is a national order. It can be considered state policy. We can't say what actual problems there will be, but we say that General Prem will do everything for the good of the nation.

I think that everyone must seek what is good, everyone must help to accomplish it. I won't waste time.... Ah. There are all kinds of headaches.

[Question] But policies depend on certain individuals. Even the constitution can be overturned.

[Answer] What occasion would there be to go against the policy, or who would not want it? Who wouldn't want a policy to create peace and happiness and equality for the people?

[Question] Individuals who don't like it that way.

[Answer] It doesn't matter. But it can't be.

[Question] At this time the rightists plan many attacks. Do you see problems, and how are they to be solved?

[Answer] I see most clearly the solution to the problems we are talking about: problems of thinking, of understanding, of principles and theory. We have been trying to use peaceful methods of creating understanding, of slowly coming to terms.

[Question] Could the political picture for Thailand in the near future be something like a Chun Doo Hwan or a Marcos regime?

[Answer] What do you mean when you say Chun Do Hwan?

[Question] A benevolent dictatorship, for example an appointed council.

[Answer] I want to ask what a dictatorship is and what a democracy is. When we speak it is not always clear. Everyone has his own idea. At what point is there a dictatorship or a democracy?

[Question] We'll speak of Lincoln's. That's simple.

[Answer] I agree.

[Question] On that issue, should we worry if it is not like that?

[Answer] That's difficult. I don't think it can be like that again. People are well informed now, and what they get from the prime minister and the prime minister are firmly established. Rather, let's speak of the problem of a dictatorship and democracy. I can't really think as you do. I look at the final outcome, whether things in general are done for the benefit of the masses. If anarchy arises you must use absolute power.

[Question] But upon inspection there is little evidence for these methods.

[Answer] Ah. How could you not understand?

[Question] If there is a dictatorship it won't allow newspapers to publish, and it won't allow elections for the national security. We've had over 10 years of experience. But in a system with elections and representatives, no matter how weak the representatives are, we can test it out gradually.

[Answer] You're right. That is what we hope for most, but at the same time I haven't ignored any activities that could trick the people out of any benefits. We must watch for such things.

[Question] There was a group among the military that disagreed in principle with the activities of 1 April. Is there much disagreement in the military?

[Answer] One hundred percent. At this time there is none intellectually, but emotionally there probably are some.

[Question] People who propose democratic activities?

[Answer] I think we are not interested in this now because we believe that there are correct means of achieving our goals, means that can't go against the needs of the people.

[Question] Conclusions on the expansion meeting of the CPT in the northeast?

[Answer] They still adhere entirely to the original methods.

[Question] The Fourth Assembly?

[Answer] It can't be held yet. The assembly requires 100 percent consensus. We cannot achieve a consensus at this time. The committee meeting must prepare data for the many various explanations and people must be sent out to lobby. Even with problems, why postpone the assembly for over 20 years? I can't answer that. I think the assembly should meet frequently. If it takes too long we become a dictatorship.

[Question] Have conflicts of ideas among the leaders of the CPT caused high-level CPT Leaders to give themselves up?

[Answer] Not so far. The people in their political hierarchy have enough strength. At present we depend on one issue to reach the people: What do they want? Marx didn't teach that. Marx said to use any means possible in the fight.

[Question] Do you think the retreat of the CPT is strategic rather than without aim?

[Answer] Whether they will retreat depends. If they try to establish a legitimate political party, they won't succeed.

[Question] Do you think that they will revive like the Long March in China?

[Answer] Their revival rests on one thing. We have a government that doesn't understand communists. There is no way they can come back.

9937

CSO: 4207/123

FOREIGN MINISTRY, NSC SAID TO FEAR RESULTS OF KHMER COALITION

Bangkok LAK THAI in Thai 4 Jul 82 pp 19, 20

[Article: "Thailand Is Helping Kampuchea Fight Vietnam: a Disaster That Can Be Seen"]

[Text] Concerning the formation of the tripartite (Khmer Rouge, Mulinaka and Khmer Seri) Khmer coalition government, which was accomplished because of pressure from those countries that support the various Khmer factions, at the end of June, even though this will make the leaders of the Asean countries very happy, including those of Thailand and Singapore, many others have voiced concern over what may happen after this coalition government begins taking action in accord with the immediate goal that was established, that is, to drive the Vietnamese forces out of Kampuchea.

Concerning this matter, on the day that the representatives of the three Khmer factions signed the agreement at Kuala Lumpur in Malaysia, Sihanouk, the leader of this coalition government, announced that the Khmer coalition government needs arms support from all countries and that it may even need military forces. And the countries that will have to provide the support requested by the coalition government will certainly be China and the Asean countries.

At the same time, at the Asean foreign ministers' conference that was held in Singapore last June, the matter of providing weapons to the coalition government was discussed. In particular, Thailand, which, together with Singapore, was the prime mover in the formation of the Khmer coalition government, announced that it was ready to provide the coalition government with "military" support in order to drive the Vietnamese forces out of Kampuchea. This was announced by General Prem Tinsulanon, the prime minister of Thailand, who issued an official statement.

A report from the Ministry of Foreign Affairs stated that, concerning the official formation of the Khmer coalition government, it will use a special affairs headquarters that is mobile in order to maintain safety at all times. It will be located near the Thai border in the jungle of Kampuchea. And the day it is officially opened, there must be a proper ceremony in order to show the efficiency and strength of the new coalition government.

Besides this, other reports from the Ministry of Foreign Affairs expressed concern about the future of the Khmer coalition government. "It is not only officials concerned in the Ministry of Foreign Affairs who have opposed this policy. Even officials in other sectors, including the National Security Council and the military, are dissatisfied because they feel that what Thailand will gain in return is not worth it," said a news source from Supreme Command Headquarters to LAK THAI concerning the opposition to this policy.

This frank statement that Thailand is ready to give military support to the Khmer coalition government has generated fear because this statement indicates that Thailand's policy toward the Kampuchean problem will no longer be in accord with the United Nation's resolution, which called for Vietnam to immediately withdraw its forces from Kampuchea and allow the formation of a Kampuchean government chosen by the people of Kampuchea. But from now on, Thailand will be a country that is involved in the internal military affairs of Kampuchea. And this may be one reason for the decline in foreign support and the reason that other countries do not see the importance of the Kampuchean problem.

Even though Thailand and the Asean countries will use the formation of the Khmer coalition government to bargain with Vietnam in order to get Vietnam to negotiate more calmly with Asean and to get Vietnam to withdraw its forces from Kampuchea in the end, actually, the forces of the Khmer coalition government total at most 50,000 men, which is about one-fourth the number of Vietnamese-Heng Samrin troops. And the efficiency of these forces and their weapons is greatly inferior to that of the North Vietnamese. Thus, it is believed that if China and Asean do not send forces to this battlefield, this will have little effect on Vietnam's decision to withdraw from Vietnam.

But another concern that has been voiced by many concerns the problems that will follow after the Kampuchean problem has been solved one way or the other, that is, regardless of whether the Vietnamese-Heng Samrin side or the Khmer coalition government wins. Thailand will constantly face problems because, if Vietnam wins, Thailand will have to confront Vietnam directly. And Thailand will have to build up its military might because of having an enemy to the east at a time when the country is in the midst of a long-term economic crisis. [On the other hand], if the Khmer coalition government wins, Thailand will have problems in overseeing this government. Because it is well known that Son Sann and the Khmer Seri, which Thailand and Asean support, are very poorly qualified and, of the three Khmer groups composing the government, they are the least respected. Moreover, it is well known that the Khmer Rouge and Sihanouk side completely with China and this means that Thailand will have to face the increased influence of China, which is much more frightening than Vietnam.

Even some Thai military and security groups are alarmed by these problems. If Vietnam continues to have conflicts with China and cannot have good relations with China and if it cannot gain full control over Kampuchea, this will benefit Thailand more than if one side won a decisive victory. This is similar to the United State's desire to play a three-sided game, that is, to let the

various sides fight each other in order to preserve its own influence in this region. Even John Holdridge, the U.S. assistant secretary of state for East Asia and the Pacific, showed hesitation about providing arms support to the Khmer coalition government, and all these problems have been turned over to Asean and China, and this means Japan too.

11943

CSO: 4207/131

RTA SOURCES DESCRIBE 'PAK MAI' OPERATIONS

Bangkok SIAM MAI in Thai 10 Jul 82 pp 17-19

[Article: "Pak Mai: The Hybrid From Vietnam"]

[Text] When the student leaders and intellectuals in the groups of Mr Bunyen Wothong, Mr Thongpak Phiengkhet and Mr Bunsong Chalethon split away from the communist party (CPT) and formed the "Northeastern Thai Liberation Party," it became known as Heng Samrin's Thai party. Even though many of the people in these groups have surrendered to government officials, military news sources have confirmed that attempts to form a party, or group, that is supported by the Soviet Union, Vietnam and Laos are still being made, just has been frequently reported in the press.

Concerning the Asia 88 group, the BANGKOK POST stated that this is a communist group that is being supported by Laos. Its area of operations is in Kut Chum District in Yosothon Province and in Ubon Ratchathani Province. Local teachers are active in this group. MATICHON, citing an interview with Major General Chawalit Yongchaiyut, stated that, at present, the Northeastern Thai Liberation Party has changed its name to the Northeastern Independence Party, which is a party that has joined the Federation of Indochinese States. The leader is Mr Bunyen Wothong. When the Thai army recently attacked the communist terrorists at Phu Miang and Phu Khat in Loei Province, the Northeastern Independence Party took local people and CPT soldiers who had been dispersed over into Laos.

However, army information officials told SIAM MAI that there is still no definite information on the movements of these groups. But what has clearly appeared and is definitely a fact is the group known as the "Pak Mai" group.

In an army information report, it was stated that the Pak Mai group was formed in September 1978 in Vientiane, Laos. But it began carrying on operations seriously only in February 1982. It also moved its main headquarters to Pak Kra Ding in Kham Muan Province near Pak Sane directly across the border from Nakhon Phanom and Nong Khai provinces in Thailand. The Pak Mai leadership organization is composed of leaders from three countries: Thailand, Laos and Vietnam. The leaders from Thailand are Mr Phuthon and Mr Charoen; the one from Laos is Saly Wongkhamsao; and the leader from Vietnam is Nguyen Van Duc.

A reliable military news source has revealed that, in addition to Laos and Vietnam, this Pak Mai group is also receiving arms and financial support from Russia. Laos is used to store and stockpile supplies and weapons. From what officials have been able to learn for sure, there are eight storehouses altogether. Four of them are at Ban Na Kop (across from Utharadit Province), Pakse (across from Ubon Ratchathani Province), Pak Sane (across from Nong Khai Province) and Kaeng Ka Pao (across from Nakhon Phanom Province).

The news source also said that because the area of operations of this Pak Mai group includes almost all the border area in the northeast, training camps and logistics bases have been set up. There are about 18 training camps, such as the ones at Phong Saly, Chaiyaburi, Vientiane and Phu Kra Ding. Vietnamese soldiers provide weapons and political training. As for the logistics bases from [which people] are sent to carry on operations in Thailand, there are about 14 such bases dispersed here and there. For example, there are bases at Na Kop, Phon Keng, Pak Sane and Savannakhet. From what has been learned for sure, the routes used to send forces into Thailand are in the Huai Tha Sao, Tha Siwilai, Ban Pla Khun, Ban Don Sawan and Nong Bua areas, which are in Nakhon Phanom Province.

Concerning the Pak Mai group's zones, a Second Army Area news source stated that three zones have been established:

1. The northern zone: Its area of operations extends from Nong Khai Province to Loei Province.
2. The central zone: Its area of operations extends from Nakhon Phanom Province to Ubon Ratchathani Province. Concerning this zone, the commander is a Vietnamese named Kwang Tan Van.
3. The southern zone: This extends from southern Ubon to Sisaket Province, which is directly opposite Pakse in Laos. Four Thais, Mr Bunmi, Mr Thongdi, Mr Thongmi and Mr Buangoen, are the commanders.

It can be seen that this area of operations is rather large and it encompasses a great part of the northeast, particularly the upper northeast. But officials do not believe that the Pak Mai group is large enough or that it has the capabilities or forces to carry on operations in all these areas. It is more likely that it will operate mobile forces in the various areas and not have fixed bases in Thailand. However, recently, after Second Army Area forces launched an operation to eradicate the CPT forces in the Phu Phan base camp area, an operations base was overrun and discovered there were documents confirming that this base in the Phu Lam Pong area belonged to the Pak Mai group. This is the only Pak Mai base that has been discovered in Thailand.

Besides this, a report from the military information section stated that in January 1982, the Pak Mai group issued a policy aimed at quickly expanding the mass [base] without waiting on the conditions and quickly assembling sufficient

armed forces. It is believed that this is an attempt to take in the Vietnamese and Lao forces that will be mobilized in the fighting stage. Officials have mentioned the number of Vietnamese and Lao forces that will take part. They said that the initial figure agreed on was 60,000 men.

A SIAM MAI news source has revealed that the Pak Mai group is also trying to attract CPT forces in the upper northeast in order to have them join the Pak Mai group, thereby expanding this group. They are trying to do this at a time when the CPT is weak from both internal problems and from attacks by the Thai army, which have achieved good results.

A high-ranking military officer in the Second Army Area told SIAM MAI that, recently, reports from captured documents and from students who have surrendered confirm that Vietnam and Laos have now begun to make a serious and concrete effort to form a communist party with views similar to their own. This is being done at a time when the CPT is weak. They are trying to mobilize forces as quickly as possible. Their hope is that, in a few years, they will have expanded enough to replace the CPT.

11943

CSO: 4207/131

PARTIES, CHIEFS LISTED, LACK OF POPULAR BASE NOTED

Bangkok PATINYA in Thai 14 Jun 82 pp 8-11

[Text] Political parties in Thailand were born at the time the democratic system of government was introduced. When changes in governance were initiated, all the political leaders of the day moved to set up parties because each wanted to preserve the power of his faction. They joined factions together in order to form stable groupings. Thinking that at this turning point it was necessary to control the power of the government for their own safety's sake, they gathered their groups of supporters into associations, called "citizens' associations," with the aim of conducting politics and eventually governing the country. This was how the political parties got their start. But since political alliances were constantly shifting, the parties did not function very smoothly. At times the right to form parties was restricted. For example when the government changed in 1932, parties were not permitted. Besides the citizens' associations, other parties were also permitted at times, e.g. by the Royal Thai Constitution of 1946, which was the first law which guaranteed the right to form parties. At times, too, it was declared necessary to abolish parties by revolutionary coups d'etat and this has happened on many occasions, so that by now Thai parties have become periodic affairs, without continuity, and the governments which come in to run the country lack any true popular base. They must therefore depend on military and bureaucratic power and on underwriting by businessmen, and must accordingly conform their activities to the interests of these supporters, with the result that a gulf is made between the bureaucratic government and the majority of the people. Thus when something occurs that weakens the stability of the government the people are merely onlookers. As time goes on and the problems of the nation increase, the government becomes still less stable and keeps falling down.

Therefore at present there are thoughts of strengthening the parties by promulgating fixed laws. This requires a review to see whether or not the single law that is to be promulgated will be able to make the parties develop in the right direction and preserve democracy.

Real Political Parties

Properly speaking, a political party is a focal point for individuals and groups who have lines of thought, ideals and policies which, in the large, are in agreement. They come together in an organization to choose individuals to run for office, in order to take a hand in governing the country or in overseeing

the conduct and the policies of the government. Political parties are very important if they come together in a democratic manner. A real political party in the sense that this term is used in the democratic free world, has six characteristic elements.

1. It must be a meeting place for persons who have common ideals, policies, principles and rationales for governing the country, and these people must take a direct role in solving the problems of the country.
2. There must be systems for keeping in touch, for study and analysis, for maintaining constant contact with the people at large, so as to be aware of problems in various sectors of society and, on the basis of data obtained, to set policies in line with the needs of the majority.
3. It must try to enlarge its ideology and always let the facts of the political process indicate the angles from which to approach the people, and it should suggest policies for the people to choose among.
4. It must be a linking organization between the people and the government. A party that has the power to form a government must have widespread branches, must have organizations which link up with farmers, students, workers and various occupational groups, in order to relay information to the government as to what the people want.
5. It must watch out to see that the government carries out policies which meet the needs of the majority, and it must supervise the local administration of government policies as well.
6. It must prepare individuals and policies to administer the country. It is like a shadow government, able to assume power without first being a group of ministers in training or ministers with "wooden decorations."

Political Parties in Thailand

If we consider the present Thai parties in terms of these six features, we can see that:

1. Thai parties do not bring together people whose ideals, policies, principles and rationales agree, but bring together cliques with common interests who seek benefits for themselves and their associates.
2. There is no constant contact and research with the people. If there is any at all, it is only occasional vote-seeking.
3. There is no attempt to expand lines of thought, to study with the people or to educate them about the policies and ideals of the parties, at any level whatsoever.
4. There are no broad and systematic links between the government and the people.
5. Most Thai parties are founded simply as platforms for persons who happen to have power. When the period of their power ends, their parties fall away too.

6. No shadow government prepares to assume the powers of government. If the opportunity comes, there are problems in choosing individuals to fill ministerial positions, leading to the phenomenon of ministers-in-training, as at present.

Because Thai parties do not exist according to the standards of real political parties, as related above, they fall into default in six aspects.

First, Thai parties are usually formed as instruments to support the personal powers of individuals or groups, upholding the personality, power and influence of the leaders. Such parties are easily born and die just as easily, when the leader or leading group exhausts its power and status or if a group splits up. For example, the Sahachip Party was formed to support Mr Pridi Panomyong, the Serimanangkhasila Party to support Field Marshall Phibun Songkhram, the Sahaphumi Party to support Field Marshall Sarit Thanarat, and the United Thai People's Party to support Field Marshall Thanom Kittikhachorn.

Second, each party tends to bring together only politicians, a small number of people who associate in narrow political circles. They have no clear supporting base from the people or from interest groups.

Third, party members often lack discipline. They hope to seek benefits from the government rather than to enter government and take part in the administration of the country for the benefit of the nation.

Fourth, Thai parties do not evolve. Because of political fluctuations and frequent coups d'etat--in each of which the constitution is rescinded, the parliament disbanded and the parties abolished--the people maintain no continuing interest in political parties.

Fifth, Thai parties do not sufficiently educate the public. This is because they were founded to support individual leaders or cliques rather than to perform duties in a democratic political process.

Sixth, party structures are weak. Parties have no popular bases, so the people are not enthusiastic about joining them. Parties therefore cannot grow large enough to be effective.

Founding Parties by Law

Thai political parties were first established at the time that the system of government changed in 1932, 50 years ago. Today both parties and democracy are still stunted, despite a law intended to make parties larger by requiring that each have not fewer than 50 members in five provinces in every region, with at least 5000 members in all and with candidates not fewer than half the number of seats in the House of Representatives.

Furthermore, the form of elections is fixed in "election districts," such that a party must put up candidates in each district equal to the number of representatives from that district, and the people of the district must choose a single party. There are still more restrictions: every candidate must sign up with a party within 180 days after the promulgation of the law. If anyone is

not affiliated with some party by then, he may not run for the House of Representatives. Once affiliated with a party he may not leave it, on pain of losing his seat.

It will be seen that such a law does harm to the electoral rights of the people, since those who have little money yet disagree with policies or ideals of existing parties cannot start parties of their own and run for election themselves. There follows a tendency for candidates to become the tools of interest groups, or else to engage in politics outside of parliament, which could bring on more coups d'etat.

Even though the law requires representatives to affiliate with parties beforehand, it will not be able to prevent parties from springing up like mushrooms, as they did in 1975 when there were 56 parties. Adding up the names of parties which have already registered, political groups which are likely to register as parties later on, and groups which have declared themselves to be political parties, there are presently 35 in all. Consequently, when elections are held in 1983 things will be just as before. No party will have a majority so there will have to be a minority government or a mixed government, which will be unstable and liable to crumble easily. The nations will suffer upheavals and the whole political chessboard may fall over again, which would mean having to redevelop parties from scratch once more.

Developing Real Political Parties

To develop a system of strong political parties, responsible and large but few in number, will require a method to reduce the large number of parties presently extant. This can be done in either of two ways. First, the evolution of the parties could be allowed to proceed as heretofore, for example, in the elections of 1975 and 1976. If elections are now held as planned, those who are elected will represent a reduced number of parties. But this method is not certain to maintain a small number of large parties over time, because events could intervene and halt the evolution again. A second way would be to amend the laws and the constitution by adding provisions to strengthen the parties quickly. This in turn could be done in two ways:

The first way is to set up a systematic form of election by districts. In each electoral district there could be any number of candidates but only one representative elected, the one with the most votes. Such a system would permit large parties or candidates with popular bases to stand firm and to win. It would lead to fewer and larger parties, while still opening the way for an unaffiliated candidate to run freely if he were confident of offering enough to defeat the large parties. In this way people's thinking would not be bound to the large parties. Independent representatives could develop their own parties if they were really good. But this method would be slow.

A second way is to amend the law of parties so as to get fewer and larger parties, strong and responsible ones, quickly and without violating democratic principles. This could be done by allowing not more than four parties, only those which have 20 percent or more of the members of parliament, to be legal parties, entitled to public support in making known their policies and ideals. The state would grant funds to help these parties campaign for votes. As for

smaller political groups, they would keep the right to carry on and fill seats with independent representatives but would not have the rights of legal parties in subsequent elections. This method, besides creating a small number of large parties, also helps the public to see the policies and ideals of the parties more clearly and to choose among them, and it can be carried out conveniently. Moreover, it makes the parties independent of bad capitalists who hope to set up parties as tools to seek their own interests. It helps them to seek good people as members, rather than to try to recruit those who have money.

If we can develop political parties by the means mentioned here, the parties we get will be large, their members will have discipline, and they will have clear ideals. At the same time they will have an assured popular base and if one forms a government it will be an orderly government, even if it is mixed, able to build security for itself better than the crude and disorderly mixed regimes of many little parties that we have had in the past.

Table 1: Political Groupings and Leaders in Thailand Today

<u>Faction or Party</u>	<u>Leader or Founder</u>
1. Social Action	M.R. Kuekrit Pramote
2. Democrat	Pichai Rattakul
3. Thai Nation	Maj Gen Praman Adireksan
4. Prachakorn Thai	Somakhorn Sunthornwet
5. Chat Prachathipotai	Gen Kriangsak Chamanant
6. Siam Prachathipotai	Col Phol Roengprasaoetwit
7. Phlang Mai	Somwang Sichai
8. Seritham	Bunying Nanthaphiwat
9. Democratic Socialist	Col sonkhid Sisangkham
10. Democratic Labor	Sawad Lukdod
11. Revolution	Uthai Phimchaichom
12. Sahachat	Special Col Phathana Phayadkhanithi
13. Pracharatsadorn	Chaisiri Rueangkanchonset
14. Kitprachakhom	Khanin Bunsuan
15. Narong Wongsawan	Narong Wongsawan
16. Thawi Kraikhup	Thawi Kraikhup
17. Thamsangkham	Thawit Klinprathum
18. Kasetsangkham	Sawad Khamprakorb
19. Seriniyom	Phichet Limpiphichai
20. Prachaseri	Dr Wathana Khiawwimol
21. Puangchonchawthai	Capt Somwang Sarasal
22. Phanthamitr	Annuy Suwanakhiri
23. Bunsong Somchai	Bunsong Somchai
24. Wathana Atsawahem	Wathana Atsawahem
25. Thamanun	Thamanun Thiangoen
26. Democratic Action	Ph. O. O. Thawi Chulasap
27. Ruamthai	Police Maj Gen Sanga Kittikhachorn
28. Phathanaprachathai	
29. Ratsadorn	
30. Prachasangkhom	
31. Backbone	

- 32. Pokpornchatthai
- 33. Phithakthai
- 34. Prachathipotai
- 35. Santitham group

Anan Buranawanit

9943

CS0: 4207/112

BOONCHU CRITICIZES ECONOMIC PERFORMANCE, LACK OF DEMOCRACY

Bangkok DAO SIAM in Thai 30 Jun 82 pp 3, 12

[Article: "Increased Unemployment, Business Bad"]

[Text] Mr Bunchu Rochanasathian, former deputy prime minister, said that the democratic system in our nation in the past has resembled a short hunch-back; it has not been fully prosperous. He claimed that the national economy is experiencing a crisis in terms of unemployment problems resulting from poor administration on the part of the government, especially the devaluation of the baht.

This was part of a special lecture by Mr Bunchu entitled "Present Economic Conditions," given on the occasion of the 48th anniversary of the establishment of Thammasat University.

Mr Bunchu said that unemployment is a great economic problem at present. When he was a child he would not have thought that people who graduated from school would be unable to find work. Wages in general are falling. People who have permanent work lack security, fearing that they could lose their jobs at any time because of unhappy economic conditions. Agricultural workers everywhere are experiencing the problems of depressed prices for their produce or sometimes not being able to sell it.

Mr Bunchu went on to say that when the buying power of the people is low, production decreases and no new jobs are created. At the same time, 600,000 additional people enter the job market each year, increasing the problem of finding work.

These problems, Mr Bunchu pointed out, have resulted from errors in administration in several areas. The first is marketing. Administrators do not know how to take advantage of timing and seize opportunities to sell products at a good price. He was able to guarantee the price of rice when he joined the government, but subsequent administrations did not carry on such activities, resulting in agricultural workers not being able to receive adequate prices for produce. The second type of error concerned money management, especially the devaluation of the baht, which increased the burden on private and government business that had to go into debt to foreign countries. Some private businesses failed. The state had to increase its debt to foreign

countries by at least 10 percent. However, the government's solution to the problem, to compensate by increasing taxes, increased the burden on the people, and businesses lack revolving funds.

The third type of error is that opportunities for investment are difficult to find at present because of the economic situation together with a backward system of government that hasn't helped out, even though there have been several solutions suggested, and foreign experts have been hired to evaluate and find solutions to these problems.

Mr Bunchu urged the government to solve these problems by listening to the people, not by playing with figures and by pride in its treasury reserves, which he cannot condone, particularly while peasants are unable to buy rice. "The management of treasury reserves is for the people, not so the government can put away a lot of money in a trunk."

Mr Bunchu spoke of the democratic system at present. He said he couldn't understand certain mistaken views, such as not letting children become involved in politics, for when they grow up and have work they still won't become involved. When they become old, they are made to enter temples and are not involved in politics. Or the view that keeps both the poor and the rich from becoming involved in politics. He is not sure what kind of person can become involved then, because everyone helps build a democratic system from the highest levels to the level of the precinct council. People of all classes should be able to taste democracy, so they can develop a love and concern for it. At present, it looks as if the state and the people are separate. The people do not receive the benefits of the government administration. If there are benefits, they are offered as charity, not as rights.

On the view that democracy has not advanced because the people lack education, Mr Bunchu said that he cannot help suspecting the truth of that, because in the past the uneducated people in the rural areas have shown interest in politics and the electoral system, while the people in the towns with more education don't show much interest.

As for the idea that the military's involvement in politics is an obstacle to democracy, Mr Bunchu admitted that it is true, but not entirely so, because we have had civilian governments in the past. The military is a part of the nation and has the right to become involved in politics, but it should become involved in a completely open way. All citizens should join together to help build the democratic system.

9937

CSO: 4207/123

COLUMNIST BLASTS VOTE-BUYING, GOVERNMENT MACHINATIONS WITH CONSTITUTION

Bangkok MATUPHUM in Thai 29 Jun 82 p 4

[Column with byline: "Headstrong Reporter"]

[Text] The movement by a group of MP's to cashier Assistant Minister of Commerce Thawi Kraikhup and to expel him from Parliament is a movement that should be supported and is the only way to protect the rather tarnished honor of the MP's.

Could it be? A MP, an assistant minister of commerce, a sponsor of the draft bill to amend and supplement the Constitution, persuades his fellow MP's to cast down the government's own bill.

No, he doesn't persuade them. He distributes money as remuneration for derailing the bill.

So the MP's movement to depose and expel him is worthwhile and worth supporting.

And only the MP's will move in this matter. If we wait for the cabinet to do it it will surely never happen, because many of the ministers are implicated. Shall we wait for the prime minister to speak of expulsion? He is too kind a boss to do such a thing.

Repeated expressions of affection and support for Mr Thawi on clouds of post-cards asking that he be allowed to carry on show the merit which still clings to him, even though this merit is to be repaid by keeping him on as assistant minister of commerce.

While the constitution, which is the highest law of the land, has failed to pass the parliament (as amended), the government remains unmoved. What should it do with a "black sheep" minister who at least was a target for the opposition and did not attack? Opposing votes were cast only from the government side.

At this point, Mr Thawi must have risen in favor. If there is another cabinet reshuffle, let him be promoted to minister once and for all....

Speaking of changing the cabinet, we must congratulate the Democratic Party for standing on principle. They admit that the constitution is a major matter, the most important governing law of the country, and they do not try to find every-shifting reasons [otherwise] in order to win favor with the government, like the scholarly demons who hold scriptures in their mouths.

"This is not a major matter. It isn't basic policy." "There's no need to resign." "It's only a little thing." And some people go so far as to show up in TV reports saying "The government hasn't failed. There were 258 votes in favor of passing the bill, but, as it happens, to amend this law requires a majority of all the MP's. So the bill didn't pass, but the government hasn't failed."

It has been 50 years, going on 51, since we changed our government from an absolute monarchy in order to step up to democracy, but we haven't reached it yet. This is because we have only people who try to find reasons for sustaining themselves in ways that are wrong, false ways.

For example, at a time when the country is governed by a dictatorship, they give out far and wide that this is democracy Thai style. When the fact of dictatorship has become entirely clear to the public, they spread the word that it is democracy by stages. And when the basic law—the constitution—fails to pass parliament, they say it is only a small matter, no big thing....

Those self-appointed interpreters who turn falsehoods into truths, dictatorships into democracies, and major matters into little ones are in fact all scholars who have sold their souls.

Look at the history. Who wrote the constitution to govern the country as a dictatorship for Sarit, Thanom, Praphat? Who was it that set forth Section 17 for the revolutionary group or Section 21 for the shellfish constitution?

It was scholars from the law schools who spoke of upholding justice and fair dealing just as if they were boosting brand names.

The real character of these people is as indentured servants of dictatorship, looking for status and office in society, and they use their knowledge of the law to write and say that falsehoods are true and white is black....

If MP's of all parties and organizations were to insist on fighting for rules that are right for society, and not merely shift around to save themselves or to gain position and rank, then they would be honored and the parliament would be trustworthy.

And we may believe they would be joined by many in instituting true and lasting democracy in the land.

9943

CSO: 4207/121

SENATE OBSTRUCTION OF DEMOCRACY CRITICIZED

Bangkok SIAM RAT in Thai 28 Jun 82 p 3

[Editorial]

[Text] Events in the joint session of parliament involving the vote on the third reading of the draft law to amend the constitution, on the morning of 25 June, may be considered the most shameful episode in the history of the Thai Senate.

First of all it must be understood that this amendment of the constitution was a goal of the government, of Gen Prem Tinsulanon, and of all the members of the House of Representatives who submitted the amendments, in order to remake the constitution according to true and full democracy.

These amendments had already passed the stages of consideration and had reached the last reading, after which they would have taken effect as law, but as it happened the amended draft constitution could not become effective, because it was blocked and vetoed by senators exercising their function under Section 194, Paragraph 6.

We consider the action of the Senate in this matter to be a purposeful and deliberate obstruction to prevent the country from coming under truly democratic government.

Our reasons for this judgment are that the draft amended constitution came from the government, which showed its intention to amend. To be an elder brother and a sponsor of the government and yet to object to its plans is permissible, but to obstruct the government is not permissible, because this makes the stability of the government uncertain.

From the deliberate refusal of the senators to permit this amending of the constitution, we understand that the senators by their collective disposition defeated the views of the majority of the House of Representatives without being willing to consider the consequences. They did not think about the situation as a whole nor about all that could result from their action, and this was excessive, abusive willfulness on their part.

Even though a majority of senators did not actually cast votes against the bill, by their abstentions, under Section 194.6 of the Constitution, they prevented the majority that the bill required for passage and so caused the draft constitution to fail.

The senators who exhibited this behavior also showed themselves to be persons irresponsible to the country, to democracy and to the people. Whoever assumes government in the future, these senators should be given no responsibility whatever. We believe that they place their whims and interests above all else, puffing themselves up and declaring that no one will be able to unseat them.

Let us mark the conduct of these senators: They have brought shame and disgrace on the nation of Thailand, the Thai people and democracy itself by their actions.

9943

CSO: 4207/121

COLUMNIST CALLS FOR STUDENTS TO RESUME POLITICAL ROLE

Bangkok PHUA KHRUT in Thai 30 Jun 82 p 3

[Column by "October 6": "Students and Politics"]

[Text] After we recovered from the dark era that followed 6 October 1976, the role of students in politics has been very small.

This could have several causes. First, after 6 October 1976, student leaders and students involved in politics in various student associations decided to join the Communist Party of Thailand.

Therefore, there was a lack of leaders in the following period, even as the dark period gradually faded away over the next two years.

Second, the fact that universities appeared to be closed, that is, student activities of all kinds were prohibited, made for a situation or a general atmosphere in the universities in which opportunities to develop a new generation of student leaders did not arise.

And when in this era college students carry out activities they are not a continuation of the activities of students of the earlier generation, so that the work of the students must start from scratch.

The next reason might be that students today are more cautious in political movements. For example, they are meticulous in selecting political issues for their movements because of the lessons suffered by the older generation who thought only of moving forward. All this makes it easy for others to be more hesitant.

These reasons may seem an odd mixture. This is why the role of students appears to have fallen off.

In any case, other factors are not as important as whether or not today's students can read the game of politics and whether they can accomplish the difficult task of fitting it to their political struggle.

Those students must admit that they are a political instrument no less important than any other group in society and politics. And it is important

that students lead the people, because when they graduate they are certain to become the people's leaders.

The carrying on of political activities to a suitable extent, the careful study of the national situation, the analysis of the true conditions of society, these are things that students may not be able to avoid.

Students in the various associations at this time must put their heads together and confer to review the progress of their role in the past and decide upon a path.

It is certainly not proper to let the situation alone determine the changes within the student movement.

In any case, there was a heartening incident a few days ago, when various student organizations got together at Chulalongkhon University to celebrate a half century of democracy in Thailand.

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VOTE BUYING SCANDAL DISCUSSED

Bangkok MATICHON in Thai 29 Jun 82 p 4

["The MATICHON News Desk" column by Bunloet Changyai: "(My View): Thawi Kraikhup Passed Out Money"]

[Text] The political situation at present is in a state of confusion because of the amended and supplemented constitution submitted as a result of the cabinet's being overturned by the legislature (members of the senate) last Friday and the subsequent call for the government to consider its own resignation and the dissolution of parliament.

This was accompanied by an occurrence that is essentially similar to others in the past, and about which there has been a loud outcry.

That is, the handing out of money to buy MP's by Mr Thawi Kraikhup, deputy minister of commerce, in hopes that MP's would support the secret vote that would be the means of overthrowing the amended constitution.

Reports have come out that Mr Thawi paid MP's 5,000 baht per head.

Major General Praman Adireksan, Deputy Prime Minister, admitted that three members of his own party accepted money from Mr Thawi, but Mr Thawi defended himself, saying that that was not true, and he challenged Major General Praman to reveal the names of the three and have them come and confirm the story, telling where and when they received money.

At the same time, Police Lieutenant Chauwarin Latsaksiri, MP from Ratburi, the same province as Mr Thawi but a different region, came forward and took advantage of the opportunity, confirming that Mr Thawi gave out money to buy 26 MP's, in three groups.

Mr Thawi took the first group out to eat on Wednesday, 23 June 1982. Each person in the group received 10,000 baht. Mr Thawi paid the second and third groups on the mornings of Thursday, 24 June, and Friday, 25 June 1982. These MP's received 5,000 baht apiece. Among them were three members of the National Party.

Are these stories true? This question must have occurred to the people as it has to me.

In any case, for everyone's peace of mind and understanding, I would like to relate some of the things I have seen and heard in my capacity as newsman stationed in parliament.

At about 2:00 p.m. in Friday, 25 June 1982, which was the lunch break following the announcement that the amended constitution did not pass in the vote, I was walking around in the basement of parliament seeking interviews with various people to ascertain whether or not Mr Thawi Kraikhup had passed out money. The first person I questioned was Mr Chingchai Mongkhontham, MP from Kapsin, Democratic Nation Party, because I had heard reports that Mr Chingchai had chatted with Mr Thawi that morning.

However, Mr Chingchai denied that he had received money. He said, "Do you think someone like me can be bought?"

When I was walking back and forth, Police Lieutenant Chauwarin came over and gave me a hug, saying: "Go over there and chat with MP Siri Thungthong. Other newspeople are in the process of interviewing him." He took me to the central documents office, where I met Siri Thungthong, MP from Uthaithani, Siam Democrat Party, and three or four other reporters. Then Police Lieutenant Chauwarit left the scene.

I asked several questions to ascertain whether Mr Thawi had actually handed out money, because it is hard to believe such things if you don't hear them for yourself.

Mr Siri Thungthong is generally a straightforward person who says just what he thinks. He was willing to admit receiving 5,000 baht from Mr Thawi that morning, 25 (June), which he had kept and did not intend to return. "He asked me to support the secret vote, but when there was an open vote I voted in support of the amendment. I felt that I hadn't promised anyone anything."

Although Mr Siri is a brave person, in this matter he was afraid. From what I could observe, Mr Siri was not pleased and told me not to print the news or I'd make enemies. Before he left, Mr Siri repeated to the newspeople: "I'm not afraid. When MP's accept Maekhong liquor, I bring it up to the legislature."

This is a true story that reporters who spoke with Mr Siri that day can confirm. After chatting with Mr Siri, we informed newspeople, because behavior that undermines the democratic system cannot be kept silent. At the same time we emphasized that the report must be released with caution because Mr Thawi might sue.

The following day all the papers were inundated with reports that Mr Thawi had handed out money to buy MP's. Some newspapers gave it a headline, others just printed it among the news.

There are reports that about 75, or 1 out of every 4 MP's have signed a petition to eject Mr Thawi from parliament as MP from Ratburi for injuring the reputation of MP's, but the constitution stipulates that the ejection must have the votes of 3 out of every 4 MP's, or at least 226 votes.

We will know the outcome this next week.

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CSO: 4207/123

UNIVERSITY OFFICIAL ASSESSES SENSE OF POLITICAL DOLDRUMS

Bangkok LAK THAI in Thai 4 Jul 82 pp 21-26

[Interview with Dr Pridi Kasemsap, the former rector of Thammasat University:
"The Thai Government: How Many Godfathers Have Become Ministers?"; date and
place not specified]

[Text] Dr Pridi Kasemsap, the former rector of Thammasat University and a person who played an important part in encouraging students to take an interest in the affairs of the country, took part in drafting the constitution after 14 October and he has openly and frequently criticized the decline of the country. In present intellectual circles, it is felt that the views of Dr Pridi Kasemsap sensibly reflect the Thai social situation since he does not look at things in a textbook way. Rather he considers things carefully based on many years of experience and he compares things with the events that have taken place in the countries around Thailand. The things that he discusses are thus very clear and they should be understood by the people of the country. For this reason, LAK THAI is presenting the following interview with Dr Pridi.

LAK THAI: What do you think are the problems facing the country at present?

Pridi: What is wrong with Thailand is that the development of a democratic system has failed. We began to develop democracy even before the administrative changes of 1932 and a serious effort began in 1932. Fifty years have now passed. No one will deny that there has been failure. What I mean is this. In a democracy, at the very least, there must be a strong parliament that can really control the government and that can change the government by a resolution of parliament. If parliament is to be strong, it must really be elected by the people. And the people must really be concerned about whether their parliament is really watching out for the interests of the people. In theory, the words "the people" refer to all Thais. But actually, parliament's base of power is the middle class. The middle class is very important for democracy since the people in this class are knowledgeable and interested and they have enough free time to take an interest in politics. In foreign democracies, the middle class

includes most of the merchants and people in other professions who are citizens engaged in making a living honestly. But when we look at the middle class in Thailand, it can be seen that in the 7th, 8th and present reigns, the middle class in Thailand can be divided into two main groups. The first includes government officials and those who make a living independently. The second includes merchants in the private sector. Most of these lack a tradition of political involvement. They are concerned with earning a living and usually do not take an interest in the affairs of the country or in elections. Thus, this group is of little importance politically. As for the other middle-class group that is composed mainly of government officials, teachers and those in independent occupations, most members of this group are educated and so they are interested in politics and most of them exercise their right to vote in the elections. This middle-class group thus has great importance in elections in the major cities such as Bangkok. Candidates in Bangkok who have the support of this group have a good chance of being elected. The results of the elections held between 1932 and 1977, a total of 45 years, bear out my analysis. Things can be summarized by saying that this middle-class group is the enemy of those people who seize power. Any party that (1) opposes dictatorship, (2) opposes favoritism, (3) opposes corruption, (4) opposes economic and trade privileges, (5) opposes communism and socialism, and (6) respects the king will always be victorious in a community such as Bangkok that is politically aware. Thus, for almost 30 years, the Democrat Party of Khuang Aphaiwong was loved by the people of Bangkok. In competing against the progressive civilian group of Luang Pradit Manutham, Mr Khuang's party always won. And it defeated the military dictator groups of Field Marshal Phibun Songkhram and Field Marshal Sarit Thanarat. Mr Khuang won with the six political factors that I mentioned above. Most of us who grew up and were interested in politics in that period were eager to vote in order to show that we opposed dictatorship. But the middle class that was aroused and that was interested in politics saw a bright future because the election results gave them encouragement. People in that period believed that they could bring about democracy by fighting for it. They believed that there would be free and fair elections, that popular political parties would govern the country and that the country would easily enter a period of prosperity. Living in that period was wonderful because there was hope.

I would like to ask all Thais who are worried about the country how they view the country's future. In less than a year, there will be an election that is not restricted by the temporary provisions. Next year, we will have a full democracy. Do people feel excited when they think about this future?

As for me, I am filled with fear. I do not want to say that I no longer have any hope but I cannot find any other word to use.

LAK THAI: What has given rise to this feeling?

Pridi: The pattern of political developments after 14 October have disappointed me on almost all fronts. After 14 October, those interested in politics were very hopeful that the country was free from dictatorship. We placed our hopes in the constitution and in elections. I was one of those who had a chance to serve in the royal legislative council. We used all our intellectual powers to

draft the 1974 constitution with the hope that it would serve as a secure foundation for democracy. But after only 2-3 years, they tore it up. And they also threw away the constitution that they had made, claiming that democracy required elections to be held quickly. Those who trampled on the constitution time and again were praised for being the people who had brought democracy to the country. How could I not be disappointed?

In the first election after 14 October, the atmosphere was one of great hope. Educated young people in various circles such as many of the professors at Thammasat University jumped into the election race. We viewed the future with hope, thinking that when more of these educated people with a good knowledge of democratic traditions entered parliament, parliament would gain honor and respect in the eyes of the people and would soon gain in importance and really be able to control the government. But things did not turn out as we had hoped. We all know how much honor and importance the Thai parliament gained after that. How many educated young people in academic circles are there today who are eager to run in the election? In preparing for elections in the past, the political parties had to try to find knowledgeable and capable people who had honor and who were well known to compete in the elections. But now the thing they talk about is finding godfathers or influential people. The amazing things that have happened in recent elections in some of the provinces in the northeast are clear examples that an election is not the rose-covered road leading to democracy as had been hoped. This is one of the reasons why I am disappointed and drained of hope.

LAK THAI: Why did things turn out like that?

Pridi: To answer this, Western textbooks are of no use. We must analyze society and [look at] the changes and trends in society during the past 20-30 years. I have said many times that the middle class is an important condition for democracy. All the democratic countries are countries that have a strong middle class. That is, these are countries where the citizens are engaged in business activities and there is a police system, a bureaucracy and a court system that consider the laws to be the final authority in the country. In such a country, the middle class is composed of businessmen and citizens in other occupations who have had good educations. Those people who are aware, who are interested in political matters and who willingly serve for the common good are praised and are chosen to serve as leaders at the local level. If they do a good job, they can move into political circles at the national level. As for those who are restless and ruthless, they will turn to being crooks and criminals. As for these types of people in the developed countries, there are laws, courts and police to control them. The criminals either end up in prison or they are hidden in the dark corners of society.

In a democracy where the middle class produces most of the political leaders, the middle class must be composed of people who earn their living honestly. But if the middle class in a country falls and the criminal elements are able to pile up great wealth to buy positions in society and work their way into the groups with power at high echelons, democracy will not be able to guarantee

peace and happiness in the country as expected. This is something that I would like those who have good intentions toward the country to think about deeply.

LAK THAI: Do you think that we should abandon democratic ideals in Thailand?

Pridi: No. I only want to propose that we think about the country's problems more deeply. It is still my personal view that democracy is better than dictatorship. The problem is how we can reach democracy. Before the seeds of democracy can be sown in the fields, isn't it first necessary to cut the weeds and prepare the soil? If our land is full of weeds, isn't it first necessary to make an effort to remove them? I think that the gangsters who have become godfathers here can be compared to weeds that are spreading shoots throughout Thai society. If these weeds are not uprooted first before hurrying to hold elections, it will be like watering and applying fertilizer to land that is full of weeds instead of helping the young paddy sprouts to grow healthily. Our fields will be like a jungle that is filled with weeds throughout the country. The elections will result in the godfathers who have raised their heads existing in all the localities. At present, godfathers have moved up to the national level and are in parliament. They will soon be deputy ministers and ministers in accord with a system that is democratic in form only. When I think of the future, I have only bad dreams. I know that many others feel the same way that I do. But no one says anything because they will be accused of being enemies of democracy and the constitution. If you do not believe me, just look back at the past 6-7 years in which we have had elected governments and see how many godfathers and gangsters have served as ministers. Look at the turmoil this has caused in government circles and at the loss of morale among government officials.

At present, everyone says that by providing support now before the election next year everything will turn out all right by itself when the time comes for the elections next year. I do not feel that things will be any better after the election. I would like to ask whether Thailand can be said to be democratic just because an election is held?

The democratic system is a political system that is at least less evil than other political systems. This is because it is a political system that gives full freedom, people can criticize each other and the government is changed peacefully by majority vote in elections. The majority vote in an election that enables the democratic system to give happiness and freedom to the people must be a majority vote in a society that has a strong middle class composed of people earning an honest living. The majority vote will then lead to real peace and happiness.

LAK THAI: Would you please explain a little more clearly why you had hope during past elections even though there was a dictatorship and why you have now lost all hope?

Pridi: I will divide things roughly to make it easy to understand. The period that was filled with hope encompassed the first 25 years, that is, from 1932 to

1957. The second period that has been filled with disappointment and loss of hope includes the 25 years from 1957 to 1982.

We can see that, during the first 25 years, the elections were fought mostly with the personal skills of the candidates. While they did have to spend some money, they used the money to win votes and not to buy votes as is done now. While the battles were not waged in a polite or gentle manner like gentlemen (which is never the case anywhere in the world where there are elections), they were still angry battles between honest people. But in the later period, gangsters have become involved in the elections and hoodlums have been sent into the provinces and regions to threaten people and show their influence as if Thailand were a land of bandits. Any province where there is an election temporarily becomes a place of great turmoil. Most of those who were elected in the first period were Thais who had been engaged in honest occupations. Some were teachers, some were doctors and some were lawyers. Some government officials ran in the elections. Leading citizens (not influential people) in the localities ran. When they were elected to parliament, they tried to carry out their duties and preserve their honor. Even though some were criticized for being wishy-washy and corrupt, they did not disappoint me like the representatives in the second period, many of whom were originally gangsters. The appearance of this new type of representative will lead to alarming changes in the behavior [of people] and the atmosphere in parliament, as can already be seen.

LAK THAI: Why has the importance and role of the gangsters increased so much in Thai politics in this later period?

Pridi: Because after the Second World War, the people who had had power in Thailand for many years went too far and tried to preserve their power by associating with gangsters. They did this for several consecutive decades. This gave those with the power to struggle and take a chance in society, and such people exist in every society, an opportunity to engage in criminal operations. They became wealthy and highly influential in society. Thus, alarmingly, these people became very influential. This resulted in the alarming downfall of the honest people and leading citizens who had originally had a good position. Stated simply, the corrupt behavior of the powerful people and government officials who neglected their duties in suppressing the gangsters resulted in this new force gradually growing in society in a way that had not been dreamed of. The results of this are evident in the elections and in parliament, as we have seen.

For those who are worried about the country, these new powers that are like demons are a danger to the well-being and safety of the nation. They are more dangerous than other dangers. Because things are like this, can we close our eyes to things and not try to find a way to defend ourselves? In a country where three MPs have been boldly murdered and the cases have not been solved, which has kept people ill at ease, the country is still in a crisis, isn't it?

LAK THAI: Why can't we do something about this?

Pridi: "To carry out tasks that will require a long-term struggle, there must be a strong leader and a strong core. Since the Thai bureaucracy is so inefficient, the core must be even stronger. But since 14 October, the country's core has not been able to grow and so everything is uncertain. It can be said that Thais cannot find anyone to rely on. Things are very lonely.

LAK THAI: Aren't you interfering with democratic principles by talking like this?

Pridi: No. I am just speaking the truth. In any period, every country, whether a dictatorship or a democracy, must have a core of no more than 4-5 or 6-7 people. In any given period, if people think that the country does not need to be administered and that by simply having a constitution and holding elections the country will automatically have peace and happiness, they are very mistaken. In the present period, we have studied jurisprudence and political science from up-to-date foreign textbooks and have forgotten a fact that cannot be forgotten. That is, national administration has at least two fundamental duties:

1. [The state] must maintain order, suppress bandits and prevent powerful people with financial power and followers from threatening others. Stated simply, the state must keep people from intimidating others. Thus, the state must have a police force or other forces to perform this duty. It must not sit back idly like a meter.

2. [The state] must engender justice and arbitrate disputes fairly. Stated simply, the state must not allow people to "exploit" others. Thus, the state must have fair courts that are free and that have enough prestige to dispense justice to the people.

In a country in which the influential people are so strong that the officials have to fear them and they can distort the administration and judiciary, the country will not be able to have peace and happiness, to say nothing of the rights of the people, a distribution of power or elections. The major point concerning evil that Thailand is experiencing at present is that the bureaucracy has been altered by those with political influence who are looking out for the interests of their own group and who have joined with those with criminal power who have gained power because of having the protection and support of those in power and of dishonest officials for many years.

To summarize, at present, Thailand needs strong and resolute government. It needs a political movement with firm ideals that can arouse the Thai people and make them eager to help implement and support the nation's ideals in order to eliminate the present rot in Thai society as was mentioned above. Restoring a sense of nationalism is a major task. In order to achieve success, there must be idealistic people who are really ready to make sacrifices and take part in carrying things out. Stated simply, we need a strong political movement and a strong core.

LAK THAI: Would you please clarify what you mean by the ideals of the nation?

Pridi: Those who join together and make sacrifices in order to restore the country must have similar ideals. The tasks must be allotted in an orderly and firm manner. They must be able to carry out things continuously, in a timely manner and in stages. To be able to do this, they must all hold to the same ideals. In my opinion, the ideals that will help stop the country's decline the most at present are nationalist ideals that stress that the "nation" is the most precious thing and that the interests of the nation take precedence over those of any individual, group, party or class. Individual interests must be subordinate to the interests of the public, that is, the interests of the nation. This is not a new idea. This idea was stressed during the Sixth Reign and during the administration of Field Marshal Phibun Songkhram. This is the correct path. Even though it was not possible to prevent the nation from declining after the Second World War, the idea of fighting against this decline, an idea that is still present in the minds of older Thais, must now come from nationalist ideals that have been preserved and taught ever since that period.

Those who hold nationalist ideals and who feel that the nation is the most precious thing are apt to revere and treasure the past and the forefathers of the nation. And they are grateful to those in the past who built and defended the Thai nation. They do not look down on the nation's history. While they will not mobilize the nation to threaten another country, they will never betray their country. Those who think like this will definitely cherish and zealously care for the institutions of the nation, which include the nation, religion and monarchy. Such nationalist ideals are truths that cannot be gotten rid of.

Furthermore, those who hold nationalist ideals believe that all Thais are the flesh and blood of the nation. While they admit that it is true that, in society, there must be a division of labor and duties that results in people's situations being different, as fellow countrymen, they all have the honor of being Thai. If a person somewhere in the country is intimidated or exploited unfairly, those who hold the ideals of nationalism cannot remain idle. Real nationalists must have social awareness and be willing to fight for justice in society. Those who hold correct nationalist ideals are thus real cultural conservatives. Since they believe that the religion is a national institution, they will definitely not be nationalist fanatics or exploit other countries. Also, Thailand is a small country. Thus, Thai nationalism will not pose a danger to other countries. The nationalists who have social awareness are thus socialists who are not deluded by the idea that people throughout the world are all equal. But they will struggle for justice in society by not disparaging the good deeds of their forefathers or the culture of the nation. They will not become infatuated with the culture or leaders of another country, which would result in their unconsciously becoming a traitor to their country.

Besides this, those who are real nationalists want to see all Thais play a part in governing the country in a democratic system. But [out of concern] for the long-term interests of all, they will not refer to rights, freedoms,

democracy and elections in order to fool the people and exert pressure so that they themselves can have power. And they will not use these ideals as a trick in order to get people to support them or use them as a tool in order to achieve hidden aims. But nationalists will not tire of pointing out things so that their fellow countrymen see that democracy is a form of government that can be reached through hard work and that there are stages and long-term projects. Just having a constitution and holding elections is no guarantee that we will have a democratic system. And I would like to put forward the following motto as a motto of faith for those Thais who really love the country. I have translated it into English in order to help clarify my own thinking. The motto is: "We shall be conservative culturally, moderate politically, progressive socially and uncompromising against the enemies of The Nation."

LAK THAI: Do you think that the ideals that you have talked about will be accepted by the majority of the people?

Pridi: Patriotism, pride in the culture of the country, a desire to see one's fellow countrymen living happily and with honor and a desire for justice in society in an age filled with oppression and exploitation are natural feelings for all people. People do not have to be pressured to accept this. The only thing necessary is for someone to point this out clearly. These ideas will spread just like grass during the rainy season. No one can prevent this. The actions of [some] Thais today have disappointed people and caused them to lose hope. But Thailand's past is proof that Thailand is a nation with hope and that it can overcome the obstacles and dangers proudly. In critical situations Thailand always has good people who show the special qualities of a Thai. After the change of government in 1932, the People's Committee that took power had an audience with King Rama 7 and he announced that he was granting a pardon to the perpetrators. This must be considered to be a marvelous stroke of political genius that has happened only once in the history of revolution in the world. The peaceful change that took place on the Day of Great Sorrow [14 October 1973] must be considered to be a marvel in the political history of the world that Thailand had the historical honor of carrying out.

That Day of Great Sorrow passed without problem. This shows that Thailand is a country that can arouse [people] and that can effectively join together to show its solidarity. The forces of the citizens (I did not use the word "people" because certain groups have distorted the meaning of this word), students and basic institutions of the nation joined together. Changes were made and the crisis passed. That day, I looked after the young people who were happily demonstrating for their country. Countless pictures of the king were held aloft during the procession. Every Thai who witnessed the events that day was filled with emotion. Those of us who had been their teachers and who had taught them to be aware were very hopeful that this younger generation, which was proving itself by struggling like this to join forces with the basic institutions of the nation, would be able to eliminate the rot in the country and bring democracy, happiness and prosperity to the country. But we were disappointed. Those who felt that other countries were better than their own

turned the direction of the student movement and put it on a different course from that of the majority of the Thai people. This ended with the terrible events of 6 October 1976.

Between 14 October 1973 and 6 October 1976, I was transferred from the court system and served as the dean of the Faculty of Law at Thammasat University since I felt that the university was an important place and that the ideological and academic struggle would point [the way] to defeat or victory in the next 30-40 years. And careful study of Chinese history had shown me what the dangers to the country were. Thus, I gave up my safe spot in the court system and entered the "hot" spot of the university. But even though I had taught and warned them, I could not help my students very much. The only thing I could do was to persuade a few of my knowledgeable and well-intentioned students from fleeing into the jungle. Sadly, I had to watch brilliant students leave, even though I had warned them again and again. They were pulled this way and that to the point where they could not be pulled any further. Now, these elite youth have returned emotionally and intellectually broken after spending several years in the jungles. Many of those who have returned have admitted to me that the terrible things that they experienced and that almost cost them their lives taught them that the ideals and people whom they had once loved passionately really served other countries just as I had warned them. This admission by these young people was not a special case but a general summary. These people are lonely like other Thais. But the ideals calling for justice in society are probably still burning in these people. Shouldn't they forget the past and instead turn to building the nation together with the other citizens and institutions of the nation? It is my intense hope that these youths will be able to once again unite with the citizens and the national institutions with which they were closely linked during the events of that Day of Great Sorrow. The lessons of the experiences of these young people should have already exerted pressure on these people to return to the arms of the Thai nation. United forces that have strong and correct ideals will always be victorious.

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PHICHAI OUTLINES DEMOCRAT POLICIES

Bangkok PATINYA in Thai 14 Jun 82 pp 12-17

[Interview with Phichai Rattakul, head of the Democrat Party, date and place not specified.]

[Excerpts] Question: Will there be a problem about inviting Gen Prem to be head of the party?

Answer: From what I've learned from Mr Chawarin (MP for Ratburi), our deputy spokesman and a member of our central committee, his intentions are very good. It is a duty of our MP's and our committee to put forward their opinions. We let our MP's look around at people. Our principle is to distribute the work of the committee. Mr Chawarin being a member, we told him to go and see who might run in various provinces, to be our eyes and ears and see which provinces looked good. For instance, whoever had a particularly good reputation in Chiangmai, he was to propose him to us. Mr Chawarin's intentions were of the best. He went to chat with Prime Minister Prem and invited him to run with us. Would he take it or not? And the next time, would he or would he not? Chatting this way, we wanted to see Prime Minister Prem run for parliament as a supporter of the Democrats. We want to see a politician, particularly the prime minister, be prime minister of the parliament. This is what we want to see. We have been struggling along for 36 years. Mr Chawarin's intentions were good. He went to chat with Mr Prem about running, no need to say at first in which province, time enough to speak of that later on. First accept in principle and enter in the name of the Democrats and no harm done. But if we speak about further issues, on which I am not yet clear, I would say that probably the newspapers asked, if Mr Prem comes in, what will he come in as? And Mr Chawarin innocently said, There will have to be a meeting to deal with this situation, or something like that. I think Mr Chawarin was trapped and didn't know how to answer. But we Democrats have always held that we don't go in for personages. We don't believe that if a person dies the party dies. No. It's not correct. That principle is wrong. Therefore, as I am sitting here, I declare that I am the head of the party now. If I am offered cabinet rank I will not accept it. I ask to help rebuild my party. So as to stories about individuals who are about to become the head of the party and what they will make me--I say that Mr Chawarin had only good intentions, but was probably trapped by the newspaper interviewers and didn't know how to respond, so he replied this way.

I have made it known that the head of the party is to be Mr Khuang, that Mr Phadungsak was the person who invited Mr Khuang to come and take over, and that Mr Khuang didn't go after the job himself. Formerly we invited Professor Seni to be head. Mr Thanat made it an election contest but this time, in the 3 April election, there was no contest. It's back to the old form, the old manner; the way Mr Khuang is coming in is the way Professor Seni came in. I am acting under these circumstances, until my term of office ends.

Question: Will the policy disagreements with Gen Prem that you mentioned lead to a new review of the Democrats' role in the government?

Answer: To speak of policy disagreements is not correct. Our policies as they are written are similar. But our ways of carrying out these policies are different. I believe that the same is true of foreign policy. There are differences in this respect between the Kriangsak government and that of Gen Prem. The items of policy are similar but the methods of carrying them out are different. I notice that Mr Kriangsak's foreign policy got better results in practice than does Gen Prem's.

As for the policy of setting ourselves up in cooperation with the three opposition parties in Kampuchea, I don't agree with it at all. I've been saying so for a long time now. Basically we mustn't mix in, for reasons that we know very well. Why should we try to do the impossible. This policy leaves us interfering virtually openly in Kampuchea's internal affairs. What I'm saying doesn't mean that we don't want to see Vietnam withdraw. Don't misunderstand my meaning. People misinterpret this point all the time. Let me insist that Vietnam's military invasion of Kampuchea is a matter we cannot excuse. They must withdraw. But how to get them to withdraw, by what means. The method of the Thai government is to try to establish a mixed government of the three sides, to make it more acceptable and respectable in the world community. But I ask: If they were successful in setting something up, would that cause a Vietnamese withdrawal? It would not. Even if they could set it up, Vietnam would still not withdraw. Therefore I say I disagree with such methods. This time we are meddling too much and it is costly for us. The maxim of policy we have tried to cling to since ancient times is to be neutral and free of binding ties and obligations. Our self-appointed interference is creating binding obligations for us. Mr A meets Mr B and Mr C is displeased. How will that displeasure benefit the nation? It will not.

I'm not very satisfied with the methods of carrying out our economic policy either. Don't say I oppose or attack Mr Prem. I'm just troubled. Take the price of fuel oil. I don't agree with the oil policy at all. Oil or gas, the government has not made a clear decision about either of them. It goes on hesitating. On gasoline refineries (not separators, which have investments of tens of billions of baht), the government has not decided either, nor on fertilizer factories. Why do I harp on these things? Because if I don't we will not be able to stimulate the economy successfully. At present the economy is very flat. We are importing goods up to the brink of disaster. There's only one way: we must stimulate, inject insulin. If we stimulate powerfully, everything will move. But the government does none of this. Even though it raises the domestic budget to 177 billion baht, I say it's too little. Why does

it raise the budget just 9 percent from last year? Its reason is that it fears inflation, and it says that inflation should not exceed 6 or 7 percent. But normally, in an active economy, up to 12 percent is acceptable. Here the government is worried and wants to hang out a red flag at only 6 percent, so the budget is low. Once the budget is low the government doesn't think any further. It's true that inflation should come down, but it should be allowed to rise to 12 percent first. If we set the budget at 177 billion baht...last year's budget cut construction outlays and the construction industry collapsed. At present it is utterly ruined. I say that the government should inject funds into it. Besides establishing a program for tens of billions of baht, the whole budget should be increased. How to find the money is another question. How the government should make up the deficit depends on the situation.

Take the price supports for rice. The government subsidizes it 1 or 2 billion baht. Suppose the government were to support the price of 10 million tons and gave 500 baht per kwian (one kwian = 2000 liters). This would cost 5 billion baht. If there are nearly 40 million farm people, they would get an average of 126 baht each. Is that not worth the 5 billion baht it would cost? Let's admit it: we say the farmers are the backbone of the country but we don't take this seriously. If we take it seriously, why not pitch in with 5 billion baht to improve the farmers' income? If they have good buying power I can sell medicine, radios, TV sets, everything. The economy will start to move. But if the government is frightened it doesn't dare decide on a program. It doesn't dare decide on a program to drain cobra-invested swamps, nor for a deep-water harbor at Chabang Point. It all piles up. Then how can you hope to see the economy improve?

Question: What economic policies do you think ought to be corrected urgently?

Answer: I am satisfied with the Fifth Plan. Setting aside 1.2 billion baht to speed up the development of the truly impoverished countryside is a proper goal. I think it's good. The government is trying to help 11 million people who are below the poverty line. I agree with the Fifth Plan to develop the rural areas. But that is only a drop of water. What will this 1.2 billion do? One, it will create a paddy bank, and two, it will provide wells for households. Also there will be daycare centers for children so their mothers can go and work, earn income and increase production. All this is included in the 1.2 billion. I agree with all this. But it's still only a drop in the ocean.

Now you've asked me what the Democrats' role will be. What I said a moment ago doesn't mean that I'm in opposition to government policies. I'm only pointing things out, and when I point out something wrong I also point out a way to correct it. But at the same time I look at the stability of the government. At present I am not a cabinet minister. Speaking this way I am not thinking only of myself and how to preserve the stability of the government as a cabinet minister might. Since I am not a minister, I think my words carry more weight.

Reasonably long-lasting stability in the government is of great importance for the economic and social development of our country. If there are constant changes of government, then I don't think it's fair to expect Mr Prem to build very

much in just a few months. That is hard. So I hope in my heart for the stability of the government and the security of the country. I would like to see the government continue in office until the next election.

This is an important consideration because foreign investors in Thailand look at (1) the stability of the government, (2) the complexity of the bureaucracy, and (3) the situation in neighboring countries. The little problems of the working man they disregard.

Therefore, at the least, since I am a responsible politician, I want to help the government on the economic side, to try to help preserve the stability of the government. So the role of the Democrats has been like this all along. But people are in a bad way too. Therefore, (1) When the government changed this time I told Mr Prem that since I was responsible for this party, it was necessary for the head of government and the head of the party to coordinate their activities, so there ought to be some liaison between us. (2) I wanted to assign Mr Chuan Likaphai, deputy head of the party and a cabinet minister as well, to be the liaison between the party and the government. (3) I asked that all the Democrat ministers and MP's report to the party on their work and on any matter of party policy which they have not been able to find the votes to carry out, so that I may follow up such matters with the head of government. So when I say that I want to see the government continue I don't mean that it should continue by itself, but in coordination with us. We want to know the results that accrue from the actions of ministers and MP's. We will make a report this month and indicate what we have and have not been able to do in implementing our policies, so that the party can prod us forward and can better oversee the linkage between ourselves and the government. That's how I'm handling this.

Question: How far apart are you and the government in your areas of disagreement?

Answer: It's difficult right now because as far as I know, since Mr Prem's government was formed we have spoken only in sweeping generalities. These are trivial matters. Increasing the budget and dividing up big programs are minor matters too. Our big principles, concerning devolving powers and electing the chairmen of provincial administrative organs haven't yet been dealt with. As for our proposals about local tambon councils, which are really the foundation of the Democrat Party, we want to have these councils half elected, half appointed, with their incomes returned to them, so they can administer the development of the villages, but we are preoccupied with trivia. Meanwhile the Social Action party has taken up the idea and proposed it as their bill, when actually it has been our policy all along. No one has been pursuing these matters.

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THAILAND

BRIEFS

GOVERNMENT PROPAGANDA IN TEMPLES--The Ministry of the Interior has agreed to use temples, schools and hospitals in communist-infiltrated areas as points to disseminate government policies to the people, after military clearance. Mr Chodok Wirathamphunsawad, deputy chief for administration in the Government Department, disclosed to SIAM RAT the department's policy for building progress at the basic level in communist-infiltrated areas once the military has cleared them. The department will depend on temples, schools, and hospitals in these areas as stations for education and training of the populace regarding the policies of the government, because the department believes that at the village level these establishments are very important to the people. One may say that temples, in particular, are the very meeting places of the villagers. The deputy chief said that officers of his department would be sent out to implement this policy in the near future. [Text] [Bangkok SIMA RAT in Thai 1 Jul 82 p 5] 9943

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